

The NATIONAL UNDERWRITER

Life Insurance Edition

"Step on it, Charlie,



**WE'LL NEED MORE PASTE... THIS
COMPANY IS HEADED FOR TWO BILLION!"**

During the ten-year period 1946-1956, Republic National Life set an unprecedented record of progress. Total life insurance in force grew from \$72,131,890.00 to \$1,168,192,772.00... putting Republic National Life in the nation's select "Billion Dollar" group.

This record growth is based on the soundest of reasons... company teamwork. At home and in the field... it is an organization of men and women who work together and think together with co-operation and enthusiasm.

Today the company is serving the life and accident and health insurance needs of more than 600,000 policyholders in 31 states and the territory of Hawaii. By continuing to offer the most modern and complete plans of family protection the Republic National Life Insurance Company confidently expects to reach its announced goal of "Two Billion on the Line by December, '59!"

In Just Ten Years
Republic National Life
of Dallas
Has Jumped From
165th to the
TOP 60
Life Insurance Companies in
United States and Canada in
Total Life Insurance
in Force

REPUBLIC NATIONAL LIFE INSURANCE COMPANY DALLAS, TEXAS

Life • Accident • Health • Medical and Surgical Reimbursement • Hospitalization • Group • Franchise
Brokerage • Plus Complete Reinsurance Facilities

Write for information regarding General Agency, Managerial and Brokerage Opportunities

Watch for
THE REPUBLIC NATIONAL LIFE
INSURANCE COMPANY
NATIONAL ADVERTISING
CAMPAIGN...

Here's a one-color reproduction of the advertisement that appeared in the May 27th issue of NEWSWEEK and appears in the leading insurance trade journals throughout the nation. This advertisement together with a strong merchandising campaign tells the Republic National Life story to a vast number of the company's best prospects.

For information about unusual sales and brokerage opportunities be sure to write

REPUBLIC NATIONAL LIFE INSURANCE COMPANY
Dallas, Texas

FRIDAY, JUNE 28, 1957

Mr. AGENCY BUILDER:

UNDREAMED OF NEW POWER FOR YOU

DISCOVER a Glorious New World of Agency Building!

It's EASY to Recruit, to Hold, and to Reward Strong Men With:

1. The Golden Rule Privilege of Appointing their OWN Agents—and Earning Increased Bonus and Renewals on those agents!
2. Top Commissions on 16 Leading Policy Contracts—Plus Bonus on Both Personal and Agency Production!
3. Long Term Vested Renewals on Both Personal and Agency Production!
4. Friendly, Effective, Home Office Help in Recruiting and Training New Agents!

AGENTS APPOINTED BY YOUR AGENT'S AGENTS

YOUR AGENT'S AGENTS

YOUR AGENTS

EVERYONE HAPPY EVERYONE MAKING MONEY

AGENCY BUILDING OPPORTUNITIES IN:

YOUR FUTURE FORTUNE

Discover YOUR Glorious New World Today by Writing to:

The COLUMBUS MUTUAL Life Insurance Company
Columbus 16, Ohio

Frederick E. Jones, President
Fred C. Adams, Supt. of Agents

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

61st Year, No. 26
June 28, 1957

Cal. Agents Ask Tax Law Changes to Halt Jumbo Group Growth

Velthouse of NW Nat'l Elected President of Assn. at Pasadena Convention

Members of California Assn. of Life Underwriters at their annual convention in Pasadena last week adopted by a "substantial majority vote" a resolution which urged serious consideration of federal legislation that would eliminate the "artificial tax shelters" of jumbo group, thereby weakening the impetus" responsible for its growth."

The jumbo group vote was the sole controversial action of the convention. Doubt was expressed by delegates, as well as officials of NALU in attendance at the convention, whether adoption of the resolution was expedient or was the proper procedure. However, pro and con discussion on the resolution, it was reported, hinged entirely on procedure, not on the fact that some remedial action as to jumbo group limitations is necessary. And although the resolution was endorsed by a substantial majority, it was the only number on the convention's agenda that did not get unanimous consent.

The resolution further stated that group is not in the best interests of the insurance buying public, of the life insurance agents, the American agency system, or the life insurance companies. It also stated that the extensive issue of jumbo group is being accelerated rapidly from an apparent competitive urge for volume by life companies. It also pointed to what it called "manifest inabilities of life companies to curb internally" jumbo group procedure, and then went on to explain that many of these same companies concede that jumbo group is not in the best interests of the life industry.

The resolution further states that "the important impetus responsible for the growth of jumbo group is an artificial tax shelter under federal statutes, which shelter was never intended for jumbo group cases." Finally, contents of the resolution were directed to the attention of National Assn. of Life Underwriters, urging that changes in the federal tax laws be considered which would eliminate such artificial tax shelters from jumbo group life insurance.

New officers elected and installed were: Emmett V. Velthouse, Northwestern National Life, Arcadia, president; Harry R. Pinney, Bankers Life of Nebraska, Oakland, 1st vice-president; Edward Neisser, Massachusetts Mutual Life, Beverley Hills, 2nd vice-president; Earl Patten, New England Life, San Jose, treasurer. Executive committee man for the southern district of California is Richard K. Wilson, New York Life, San Diego. Executive committee man for the northern dis-

May Ordinary Sales Exceed \$4 Billion to Set 1-Month Mark

Ordinary life sales in May totaled \$4,033,000,000, up 32% setting a new record for any one month, according to LIAMA. It was the first month in which ordinary exceeded \$4 billion.

Total life sales were \$6,224,000,000, up 35%, setting a new record for May. Group life sales set a new mark for May by totaling \$1,617,000,000, up 72%, representing only new groups established and not additions to contracts already in force. Industrial life sales were \$574 million, down 5%.

Ordinary sales for the year-to-date totaled \$18,347,000,000, up 29%, setting a new record for the first five months. Total sales were \$27,122,000,000, up 29%, also a new peak for the period. Group sales set a new mark, too, by totaling \$6,088,000,000, up 48%. Industrial sales were \$2,687,000,000, down 1%.

LIAMA's figures did not include credit life sales.

Hancock Introduces New Family Policy

John Hancock has introduced a family policy which provides whole life insurance for both husband and wife and term to age 25 for children under age 18 when the policy is issued or for children born after issue of the policy.

Family income or level term riders on the life of the husband may be added to the policy on the same basis as applies to other Hancock policies. A level term to age 65 rider on the life of the wife may be added as of the date of issue only.

The policy will be available for issue beginning July 15 in states which have approved it.

Insurance on the wife is not term and becomes fully paid up on the policy anniversary nearest her 65th birthday or upon the prior death of her husband. It includes double indemnity prior to her age 65. The amount on the wife bears a fixed relationship to that on her husband, rather than varying according to the difference in their ages. Accordingly, premiums depend on both ages.

The plan generally may be written on families where the wife is as much as 20 years younger or 10 years older than the husband.

Late News Bulletins . . .

Miller to Head New W. Va. Life Company

Louie Miller Jr., the retiring West Virginia commissioner, has been elected president of the newly chartered West Virginia Life. He assumes his new duties July 1. West Virginia Life will be a wholly owned subsidiary of W. Va. Insurance Management Corp. and is expected to begin operations this summer. License applications and other forms have been filed with the department. Operating funds have been obtained through public subscription of common stock in the parent corporation, which also plans to launch a fire-casualty insurer and "other related operating subsidiaries." The companies will be known as West Virginia Insurance Group and will offer a "unique new packaged insurance

(CONTINUED ON PAGE 24)

(CONTINUED ON PAGE 24)

Holz Hits Back at FTC Examiner for His Swipe at N. Y.

Cites 'Unblemished Record' of Department; Says Facts Negate Laughlin's View

NEW YORK—Although the advertising that FTC examiner Laughlin criticized was all used before the present state administration took office, Insurance Superintendent Holz of New York spoke out sharply in defense of the department's standards of regulation and expressed confidence that FTC commissioners and/or the courts would refute Mr. Laughlin's criticisms.

Mr. Laughlin's comments on Commercial Travelers' advertising and on what he termed the New York department's failure to regulate it were summarized in a late news bulletin in last week's issue.

Though he said his usual custom is to withhold comment on such matters until they have gone through to a final determination, Mr. Holz said he has been beset by the press for comments and would make this statement.

"The determination of the examiner is at best preliminary. It must necessarily have majority approval of the entire commission before a ruling becomes definitive. I do not believe that any of its members have had an opportunity as yet to digest the report or to scrutinize the record on which it is based. A thorough study thereof must take a considerable amount of time. And I shall say nothing now which may in any way embarrass the commissioners, nor impede them in their objective appraisal of that record. Moreover, I am not of a mind to engage in any newspaper controversy with the well-intentioned examiner over the conclusions, which in my opinion are not only unsupported by that record but in fact, are negated by that record.

"My department finds justification for its own actions from its long record of consistent and constant surveillance over advertising practices of its licensed insurance companies (wherever they may function), from New York State's strong laws regulating all facets of insurance conduct, and from the practical application of its rules, regulations and laws to those activities and conduct. No further words are needed to defend New York's unblemished reputation in that regard. And the testimony before the examiner amply supports this statement. The

(CONTINUED ON PAGE 23)

The New York City editorial and business office of The National Underwriter Co. now is located at 17 John street, room 1401. The telephone number remains the same, BEEKMAN 3-3958; the postal zone is also the same as before, zone 38.

The new location is half a block east of Broadway.

Expect Record Turnout at NW Mutual Agents' Meeting This Centennial Year

Because this is the centennial year of the Northwestern Mutual Life, a record attendance is expected for the 77th annual meeting of the company's Association of Agents at Milwaukee July 22-24.

Theme of the meeting will be "Featuring the Future," according to G. Wendell Dygert, Fort Wayne, president of Association of Agents.

The executive committee planning the meeting includes, in addition to Mr. Dygert: John O. Todd, Chicago, vice-president of the association; John R. Mage, general agent at Los Angeles, second vice-president; Lester A. Wilbert, Milwaukee, secretary-treasurer; Dennis E. McGaugh, Fort Dodge, Ia.; William C. Roeder, general agent at Aurora, Ill.; Charles E. Rosch, Baltimore, and Stanley S. Trotman, New Haven. Harold W. Gardiner, director of education and field training, is the home office liaison representative working with the committee.

As in previous years, panel discussions and group sessions will stress

sales opportunities and techniques. Speeches will be given by outstanding agents and company officers, beginning with the opening address by Edmund Fitzgerald, president of Northwestern.

Winners of awards under the system of honors of the association will be given recognition during the meeting, and special centennial awards will be presented by the company.

Special, district, and general agents' associations will conduct individual meetings during the convention; there will be conferences for agents who are CLUs and for members of the company's "Half Million and Over" club. Special meetings have been arranged for agents attending their first convention, and a hospitality luncheon is scheduled for all wives in attendance.

The annual meeting of the association is unique in the life insurance business, in that it is planned by and for company agents, each of whom pays his own way to the meeting and his own expenses while in Milwaukee.

Leaky Umbrellas

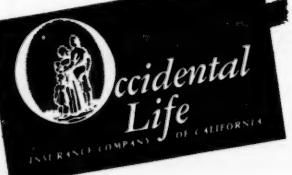
Many an umbrella of protection that once adequately covered a man's family is now leaking through holes punched in it by the rising cost of living.

But these holes can be easily patched, *at a very small premium*, with one of Occidental's Income Protection Policies.

These plans permit a man to buy exactly the size patch he needs by providing any selected amount (\$50 minimum) of monthly income—graduated if need be—for any selected period of from 10 to 50 years. Convertible to age 65, they are issued substandard to Table F and are available with Double Indemnity and Income Disability.

Leak-stopping protection that will give any family "More Peace of Mind Per Premium Dollar."

"A Star in the West..."



HOME OFFICE: Los Angeles
W. B. STANNARD, Vice President

"WE PAY AGENTS LIFETIME RENEWALS . . . THEY LAST AS LONG AS YOU DO!"

Variable Annuity Trial Hinges on Risk Element

SEC Argues Companies Are Really Mutual Funds, Plays Down Guarantee Feature

Two D. C. Insurers Contend Life Contingency Aspect Confers Insurer Status

The gist of the Securities & Exchange Commission's position in its action against Variable Annuity Life and Equity Annuity Life is that the defendant has what amounts to an open-end investment company and the life contingency feature doesn't amount to enough to alter the essential investment-company character of the setup.

The trial has just been concluded in federal district court at Washington, D. C.

In its memorandum to the court, the SEC described the setup and operation of a mutual fund, or investment, and attempted to draw a parallel between this and Variable Annuity Life's operations.

The brief quotes a Supreme Court decision (Minnesota vs Gopher Tire & Rubber Co.) as holding an "investment contract" to be a contract or scheme for "the placing of capital or laying out of money in a way intended to secure profit from its employment . . . In other words, an investment contract for purposes of the securities act means a contract, transaction or scheme whereby a person invests his money in a common enterprise and is led to expect profits solely from the efforts of the promoter or a third party."

"The VALIC contract meets these criteria" the SEC memorandum states. "The courts have held that numerous types of contract which do not on their face appear to be securities are securities as defined by the securities act of 1933, for instance, the following have all been held to be within the statutory protections: A contract in which the sellers offered bottling contracts to persons to whom they had previously sold warehouse receipts for whisky; contracts evidencing a participation in the growing and marketing of crops; titles to tung trees, coupled with a contract whereby the seller agreed to service and develop the land and market the product; title to silver foxes coupled with a contract for feeding the animals and preparing the pelts for market, and similar service contracts with respect to chinchillas; sales of burial plots where it was obvious that plots were being sold more for their potential appreciation in value than for their use to the investors."

"The common denominator in all of these cases has been the fact that, in each instance, the managers of the enterprise used the money supplied to them to perform services which were for the common benefit of all investors, all of whom shared in the profits from these services, and the return was not a sum certain but fluctuated in direct relation to the profits. The tangible items sold were part of a contract under which the managers sought to employ the money paid so that each contract would share pro rata in proportion to his payment, in the fruits of the management services."

"Applying this rationale to the contracts sold by defendants it is apparent that the contract sold is a security though cloaked in the guise of an in-

(CONTINUED ON PAGE 21)

The importance of the risk-sharing and risk-bearing function of the variable annuity, as contrasted with returns on investments, is played up in the defendant's brief filed by Variable Annuity Life and Equity Annuity Life, in the action brought by Securities & Exchange Commission to force the companies to submit to SEC jurisdiction.

"Each VALIC policy fixes the amount of the first annuity payment and guarantees that the dollar amount of subsequent annuity payments shall not be affected by the actual mortality experience of the policyholders," the defendants' brief states. "VALIC thus carries the risk from the day it issues its policy that predictions of mortality among its annuitants, made in accord with the mortality table used in its policy, will forecast within conservative limits the number of survivors during any given period between 1957 and, say, 2027. The risk of unforeseeable decreases in mortality rate during this period must be borne by VALIC—not its policyholders."

The brief also calls attention to the guarantee that increases in expense ratio must be borne by VALIC—not its policyholders.

"These are normal risks assumed by (and only by) companies writing life insurance and annuity policies," the brief continues. "A primary function of state insurance supervision is to assure that benefit obligations payable under the policy are adequately secured. State supervision thus takes as an important consideration its concern that the company shall charge enough to provide adequately for all mortality and expense risks. This requires a knowledge of actuarial science and insurance practice that is peculiar within the 'expertise' of state insurance supervision."

The brief then gives several examples showing how the annuity principle works for normal longevity or for abnormally short or abnormally long life spans.

The brief points out that annuity policies, commonly issued by other life companies provide for payments in fixed dollar amounts to which a policy on a participating basis may add a variable amount as a dividend.

The brief makes the point that the internal revenue service has determined that benefits payable under a variable annuity contract are taxable as amounts received as an annuity. Current regulations of the internal revenue code specifically recognize variable annuities in which "the amount of the periodic payments may vary in accordance with investment experience" as annuities.

Following are some of the points made in the defendants' brief in connection with the laws considered by either side to be applicable to the pending controversy:

1. The McCarran act grants to the District of Columbia insurance superintendent, and excludes the SEC from, regulatory jurisdiction over Variable Annuity Life and Equity Annuity Life. "The attempt to impose the general

(CONTINUED ON PAGE 22)

Com
In For
for Ho

Occident
led all c
business in
609,133 in
newcomer
placed U.
being 11th

Below a
of all com
business in
indicates
1955 and t
The figur
NATIONAL
Commission
Hawaii.

55 '56
1. 1. Occid
2. 2. Prud
3. 3. Sun
4. 4. New
5. 5. Man
6. 6. John
7. 7. Unit
8. 8. Lince
9. 9. New
10. 10. Crow
11. 11. Amer
12. 12. U. S.
13. 13. Frank
14. 14. Cal.
15. 15. Amer
16. 16. Confe
17. 17. Canad
18. 18. Secur
19. 19. Pacif
20. 20. North
21. 21. West
22. 22. Hawa
23. 23. Trav
24. 24. Benet
25. 25. Old
26. 26. Conti
27. 27. Finan
28. 28. Stand
29. 29. Amer
30. 30. Bus
31. 31. Unite
32. 32. Gener
33. 33. Guar
34. 34. Feder
35. 35. Midw
36. 36. Sunse
37. 37. Comm
38. 38. Capit
39. 39. Pierc
40. 40. Pacific
41. 41. Credit
42. 42. Conti
43. 43. Metro
44. 44. Aetna
45. 45. Stand
46. 46. Union
47. 47. Repub
48. 48. Nation
49. 49. Paul
50. 50. Patrio
51. 51. Woodi
52. 52. Centra
53. 53. Great
54. 54. Nation
55. 55. Nation
56. 56. Banke
57. 57. Equita

Death Re
Months I

During the
106 million
ers in the U
good health
very near
1956, accor

Tubercu
shown cont
death rate a
in accident
diabetes, di
fluenza, and
offsetting r
cancer and
and circula

Aetna Li
Contract
Californi

LOS ANG
fornia Truc
ministering
Fund of S

Company Ordinary In Force Rankings for Hawaii Listed

Occidental Life of California again led all companies in ordinary life business in Hawaii in 1956 with \$137,609,133 insurance in force. The only newcomer to the first 10 companies is New England Mutual Life which replaced U. S. Life in 9th place after being 11th in 1955.

Below are ordinary in force rankings of all companies doing over \$1 million business in Hawaii. The first column indicates the company rankings for 1955 and the second column for 1956. The figures were supplied to THE NATIONAL UNDERWRITER by Deputy Commissioner Carl J. Allenbaugh of Hawaii.

	1956	In Force
1. Occidental of Cal.	137,609,133	
2. Prudential	106,492,757	
3. Sun Life	102,011,181	
4. New York Life	78,200,005	
5. Manufacturers	56,487,301	
6. John Hancock	51,678,871	
7. United Benefit Life	45,463,145	
8. Lincoln National	43,610,124	
9. New England Mutual	40,782,268	
10. Crown Life	39,227,452	
11. American Mutual	38,556,436	
12. U. S. Life	38,050,788	
13. Franklin Life	28,472,088	
14. Cal-Western States	25,980,858	
15. American National	25,642,263	
16. Confederation Life	23,162,764	
17. Canada Life	22,758,973	
18. Security L&A.	22,697,160	
19. Pacific National	21,684,988	
20. North American Life	19,901,436	
21. West Coast Life	12,919,978	
22. Hawaian Life	11,875,005	
23. Travelers	11,793,061	
24. Beneficial Standard	10,709,500	
25. Old Republic	10,275,544	
26. Continental Assurance	9,740,906	
27. Financial Security	8,990,689	
28. Standard Life (Ind.)	8,339,406	
29. American United	7,652,892	
30. Bus. Men's Assurance	6,887,352	
31. United Services	6,826,000	
32. General American	6,654,300	
33. Guarantee Mutual	5,709,419	
34. Federal Security	5,265,384	
35. Midwest Life	4,817,182	
36. Sunset Life	4,382,577	
37. Commercial Life	4,200,544	
38. Capitol Life	3,834,994	
39. Pierce	3,665,570	
40. Pacific Mutual	3,212,156	
41. Credit Life	2,924,421	
42. Continental Life	2,728,929	
43. Metropolitan	2,700,605	
44. Aetna Life	2,636,604	
45. Standard Insurance	2,467,725	
46. Union Mutual Life	2,154,668	
47. Republic National	1,829,006	
48. National Fidelity	1,707,385	
49. Paul Revere	1,508,620	
50. Patriot Life	1,477,781	
51. Woodmen A&L	1,427,440	
52. Central Standard	1,326,765	
53. Great Northwest	1,323,268	
54. National Reserve	1,299,960	
55. National Equity	1,263,661	
56. Bankers Security	1,137,765	
57. Equitable Society	1,123,334	

Death Rate in First 6 Months Near Record Low

During the first half of the year, the 106 million life insurance policyholders in the U. S. appear to have had a good health record, with a death rate very near the all-time low level of 1956, according to Institute of Life Insurance.

Tuberculosis is reported to have shown continued improvement in the death rate and reductions were shown in accident fatalities and deaths from diabetes, diseases from childhood, influenza, and pneumonia. There were offsetting rises in death rates from cancer and the diseases of the heart and circulatory system.

Aetna Life Gets Group Contract on 30,000 California Truck Drivers

LOS ANGELES—Trustees of California Trucking Associations, Inc., administering the Teamsters Security Fund of Southern California, has

awarded the contract for coverage of trucking employees of trucking companies to Aetna Life, the low bidder of 15 companies which sought the business.

Approximately 30,000 truck drivers in southern California are covered by the insurance, as of July 1. For the past seven years Occidental Life of California has been the insurer.

Aetna's bid was \$11.16 net premium per month per employee and a brokerage fee of 3/10 of 1%. It is anticipated the contract will save the Fund a total of \$126,000 a year on the \$3,750,000 total coverage.

97% of Ordinary Life Applications Accepted by Insurers Last Year

Last year, 9,230,000 or 97% of the total 9,490,000 applications for ordinary life insurance in the U. S. were accepted, according to Institute of Life Insurance. Of \$43,560,000,000 applied for \$42,330,000,000 or 97% was approved.

Extra risk life insurance made up a slightly smaller share of the 1956 total than at the time of the last survey in 1954. This possibly reflects underwriting liberalization which has resulted in acceptance of more borderline cases at standard rates, the institute noted. Occupation has become a negligible reason for declination and is not even a major factor in extra-rating. Heart troubles now are the chief single reason for declination and extra-rating.

During 1956, 5% of the policies and 9% of the amount of insurance approved was on the extra-risk basis. Of the total new ordinary applied for, 92% of the policies and 88% of the amount was approved at standard rates.

Midyear Sales Point to \$70 Billion Year, Another New Record

NEW YORK—Sales of life insurance for the first half-year are nearly 30% above a year ago and if the present pace continues, a total of \$70 billion in sales may be chalked up for 1957, making it another record year, according to estimates by the Institute of Life Insurance.

The institute estimates sales for the first six months at \$33 billion, up about \$8 billion. Most of the rise was due to increase of ordinary, up about \$5 billion in the half-year.

As a result, life insurance outstanding in the country at midyear is estimated at \$437 billion, up \$25 billion since Jan. 1 and \$45 billion as of 12 months ago.

"These huge life insurance gains in '57 should mean the best progress in many years in widening the margin of families financial protection over the inflationary cost of living," President Holgar J. Johnson of the institute commented. "Life insurance per family should pass the \$8,000 level this year, which would be well over 100% more than ten years ago. The cost of living has risen some 25% in these years.

"As life insurance ownership has spread, the payment of benefits to policyholders and beneficiaries has grown proportionately, and in the first six months of 1957 are estimated to be approximately \$3,325,000,000. This is \$400 million more than in the corresponding period of last year. This

increase is totally accounted for by the greater ownership, as the death rate among policyholders is reported to be at or near last year's record low level."

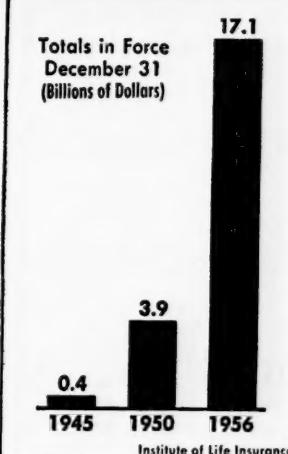
As a by-product of the accumulation of reserves back of this growing total of insurance, the total assets of 1,200 U. S. life companies rose to an estimated \$98,300,000,000 at mid-year. This was an increase of nearly \$2.5 billion since Jan. 1, representing approximately that amount of new capital made available from life insurance for the national economy. The new investments made by the life companies from these funds in the first six months of the year were about evenly divided between real estate mortgages, corporate securities and all other investments.

Credit Life in Force Totals \$17.1 Billion, Rises 25% in 5 Years

Credit life insurance outstanding in the U. S. has increased 255% in the past five years, while consumer credit has risen less than 100%, according to the Institute of Life Insurance. At the start of this year, 32 million individual loans or time sales were covered by credit life in the amount of \$17,098,000,000.

This means nearly half of all consumer credit outstanding in the U. S.

HOW CREDIT LIFE INSURANCE HAS INCREASED SINCE 1945



COMMONWEALTH LIFE

INSURANCE COMPANY



Commonwealth, one of
the Nation's billion-dollar
companies, extends con-
gratulations to all N.Q.A.
winners.

HOME OFFICE: Commonwealth Building Louisville

The Tallest, Finest Office
Building in Kentucky

subject to such coverage is now under special life insurance protection written through lenders or creditors, guaranteeing full payment of loan balances in the event of death.

Credit life in force rose \$2,348,000,000 in the amount and 4,159,000 in number of losses covered during the year. The five year rise is \$12,280,000,000 in amount and 19,737,000 in number. Not only has the number of loans insured risen 160%, but the average size of loan balance covered has gone up 35%. At the start of this year, the average was \$530 compared to \$390 five years earlier. Death benefits in 1956 totaled \$77 million under 135,000 policies.

During the past year, 60 million loan accounts were covered at some time by credit life insurance, as consumer credit paid off during the year about equalled the year-end aggregate outstanding.

A large volume of credit is covered apart from credit life through policies bought by individuals through their own agents. This type of protection is large among homeowners, insuring their mortgages individually, or business men covering their personal loans independently.

TELLS ACTUARIES:

Economy of Texas, Although Fabulous, Can't Support 364 Life Companies

H. Lewis Rietz, executive vice-president of Great Southern Life, told members of Actuaries Club of the Southwest at its recent spring meeting in Galveston, Tex., that there is an "extreme necessity for fair laws establishing standards of operation which would permit Texas companies to hold

their own competitively with companies of other states." He said that Texas companies now suffer numerous disadvantages in the investment field and the matter is growing worse annually. "Although changes in the investment law were proposed in 1957," Mr. Rietz said, "selfish, and narrow

interests defeated each suggestion to the detriment of every established company in the state. We must adopt a broad view, that what is sound for any part of the industry is good for all, and short term selfish interest must be overcome and intellectual honesty and fair play must prevail at the management, legislative, and supervisory levels."

Mr. Rietz went on to say that there is no magic, no trade secret, and no hidden subsidy from Uncle Sam or elsewhere that will permit a life company quick profits through a specula-

tive operation. A sound life insurance company can be built only with honesty, economy, and long hard work, he said, and the economy of any state will not support a disproportionate number of life companies on other than a nominal struggling basis. "The Texas economy is fabulous, but it will not support the 364 life companies domiciled in Texas and hence we must look for a pattern of mergers, some failures, and for those new companies that do survive, years of waiting before real profits are realized by the company."

The meeting at which Mr. Rietz spoke drew an attendance of 125 members and guests to the Galvez hotel in Galveston. The business meeting was presided over by George Van Fleet, consulting actuary, Austin, president of the club. Alfred Guertin, actuary for American Life Convention, was among the guests.

George R. Jordan Jr., vice-president and actuary of Southland Life, directed the formal program which featured a discussion of "Application of Electronic Data Processing Equipment to Smaller Company Operations—The Present and the Future" by Smith Homans and Richard Green of I.B.M., and George W. Boyd and James Gaston of Remington Rand.

Another feature of the program was a brain-storm session on the development of a new policy in which Everett Brown of Great National, Joe Hahn of Great Southern, Jack Rudd, consulting actuary, Jacques Winters of Texas Prudential, and Gene Wisdom, consulting actuary, were the panel members.

Other speakers on the program were Richard M. Fridley, associate actuary of Jefferson Reserve Life, discussing "Automatic Premium Loan Administration"; Charles H. Connolly, associate actuary of Southwestern Life, who presented a paper on "The Effect of Varying Interest Rates on Policy Values"; V. W. Pfeiffer, vice-president and actuary of American National, and J. Rae Jamieson of the Houston regional office of the Prudential, who discussed "The Family Group Policy."

Gene P. Archer, group actuary of Southland, and John Marakas, vice-president and actuary of Reserve Life, discussed "Incurred but Unreported Claim Reserves for Group and Individual Accident and Health Policies." J. R. Gillan, Pan-American, William E. Butler, American Hospital & Life, C. T. Easley, Amicable Life, and Robert E. Baines, Republic National Life, discussed "Financing Plans for New Agents".

William R. Battle, Southwestern Life, reported on the eastern spring meeting of the Society of Actuaries and Gilbert E. Hawkins, American General Life, reported on the western spring meeting of Society of Actuaries.

Johannsen Low Gross Winner in N. Y. Managers Golf Tournament

NEW YORK—A. J. Johannsen, Northwestern Mutual, was the low gross winner in the golf tournament at the annual outing of the New York City Managers Assn. at Plandome country club. George Aranyi, New York Life, was runner up.

Low net was won by Thomas McDonald of Retail Credit Co., with Glenn Geiger, New England Life, as runner-up.

Irving Flashnick, Guardian Life, won the putting contest, with Lee J. Smith, New York Life, and John M. Fraser, Connecticut Mutual, following in that order.

Toastmaster at the dinner that evening was association President Arthur Sullivan, Fidelity Mutual Life. Chairman of the outing was Bernard Samons, Guardian Life.

June 28, 1957

Agents Inter-Agency in Latin America

A movement of the Assn. of Life Agents after National Underwriters in the hemisphere including South America.

Among the office executives in Canada, agents and representatives of the Travelers, Life International, and the American Life Convention sponsored the trip to Puerto Rico.

The first new organization contacts in South America did not send a delegation suggesting some country the new agents' as would encourage paving the way for the Inter-American.

The meeting in San Juan, Puerto Rico, was a success. Numerous messages came from Puerto Rico, including Everett R. R. and, president of the Costa Rica, salutations.

Other members of the Davenport, Washington, Committee, Los Angeles, and the Los Angeles Club, Assn. of Life.

It was decided that Miami where steps will be taken by Posada, Mariano, was elected to head the new consultant and be Ann B. B. service, who will be conference.

A permanent committee to inform insurance companies in the results of the meeting. The committee consists of the Connecticut, the ident of LULU.

Among the U.S. and president of the A&H Underwriters, Portland, Oregon, president of the Institute, J. Denda, Union Mutual, York City, Roy C. G., agencies of the Kraus, general agent at Los Angeles.

T. H. Lind, president of the A&H Underwriters, Portland, Oregon, president of the Institute, J. Denda, Union Mutual, York City, Roy C. G., agencies of the Kraus, general agent at Los Angeles.

During the past nine months more new recruits joined Northwestern National Life than in any like period in the past decade. Forty-two percent of these new agents were men who were introduced to the company by other NWNL agents. This is just one measure of the regard in which our fieldmen hold the NWNL franchise and the opportunities it represents—for thorough career training, for profitable market building, for advancement into field management.

NORTHWESTERN NATIONAL LIFE OF MINNEAPOLIS

Life Insurance is for Living!

Agents Move to Form Inter-American Assn. in Latin America

A movement for an Inter-American Assn. of Life Underwriters patterned after National Assn. of Life Underwriters in the U.S. was launched by representatives from nine western hemisphere countries and territories, including 12 U.S. cities, at a 4-day meeting in San Juan, Puerto Rico.

Among the delegates were home office executives from the U.S. and Canada, agents from various countries and representatives of Life Underwriter Training Council, American College, Life Insurers Conference, International Assn. of A&H Underwriters, LIAMA, and NALU which co-sponsored the conference with Puerto Rico Assn. of Life Underwriters.

The first step toward forming the new organization will be to establish contacts in Central American, South American and Antilles areas that did not send delegates. The committee suggesting this pointed out that, in some countries to be represented in the new association, there are no agents' associations. The contacts would encourage them to organize, paving the way for setting up the Inter-American association.

The meeting at the Caribe Hilton hotel in San Juan was called the first Inter-American conference of life Underwriters. General chairman was Robert L. Forbes Jr., Pilot Life, of the Puerto Rico association. It drew numerous messages of support. Welcomes came from Gov. Luis Munoz Marin of Puerto Rico and Manuel Nieves Hidalgo, insurance superintendent, and Everett R. Hagberg, Jefferson Standard, president of the Puerto Rico association. President Jose Figueres of Costa Rica sent a special letter of salutations by his country's delegation.

Other messages came from Thelma R. Davenport, Northwestern Mutual, Washington, chairman of NALU's Committee of Women Underwriters, Los Angeles Life Managers Assn., Los Angeles CLU chapter and Los Angeles Assn. of Life Underwriters.

It was decided to meet next year in Miami where further organizational steps will be taken. Luciano Velez Posada, Manufacturers Life, San Juan, was elected chairman and will spearhead the movement. Acting as consultant and liaison with NALU will be Ann Bickerton, director of field service, who represented NALU at the conference.

A permanent committee was named to inform interested groups and associations in Latin America about the results of the conference. The committee hopes to create a permanent foundation for future conferences which can expand the objectives of the first meeting. U. S. representative on the committee was Chester T. Wardwell, Connecticut Mutual, Peoria, Ill., president of LUTC.

Among others who attended from the U.S. and Canada were E. J. Coffey, president of International Assn. of A&H Underwriters, and Mrs. Coffey, Portland, Ore., William T. Criswell, president of International Insurance Institute, Coral Gables, Fla.; Michael J. Denda, resident vice-president of Union Mutual Life, representing New York City Assn. of Life Underwriters; Roy C. Grant, associate director of agencies of Sun Life of Canada; A. E. Kraus, general agent of Pacific Mutual at Los Angeles, and Mrs. Kraus; T. H. Lind, vice-president and treas-

urer of Pilot Life; Fritz G. Lindley, vice-president of Latin American operations of Pan-American Life, representing LIAMA; Loran E. Powell, managing director of LUTC, and Mrs. Powell; George M. Selser, vice-president and secretary of United States Life; O. F. Stafford, president of Pilot Life and president of Life Insurers Conference; Jerome J. Theisen, assistant superintendent of agencies of Continental Assurance; Fitzhugh Traylor, manager of Equitable Society at Indianapolis and president of American Society, and Mrs. Traylor; and

Herbert Prouty, superintendent of agencies of Travelers.

Besides the U.S., Canada and Puerto Rico, also represented were Costa Rica, Colombia, Jamaica, Venezuela, Cuba, and El Salvador.

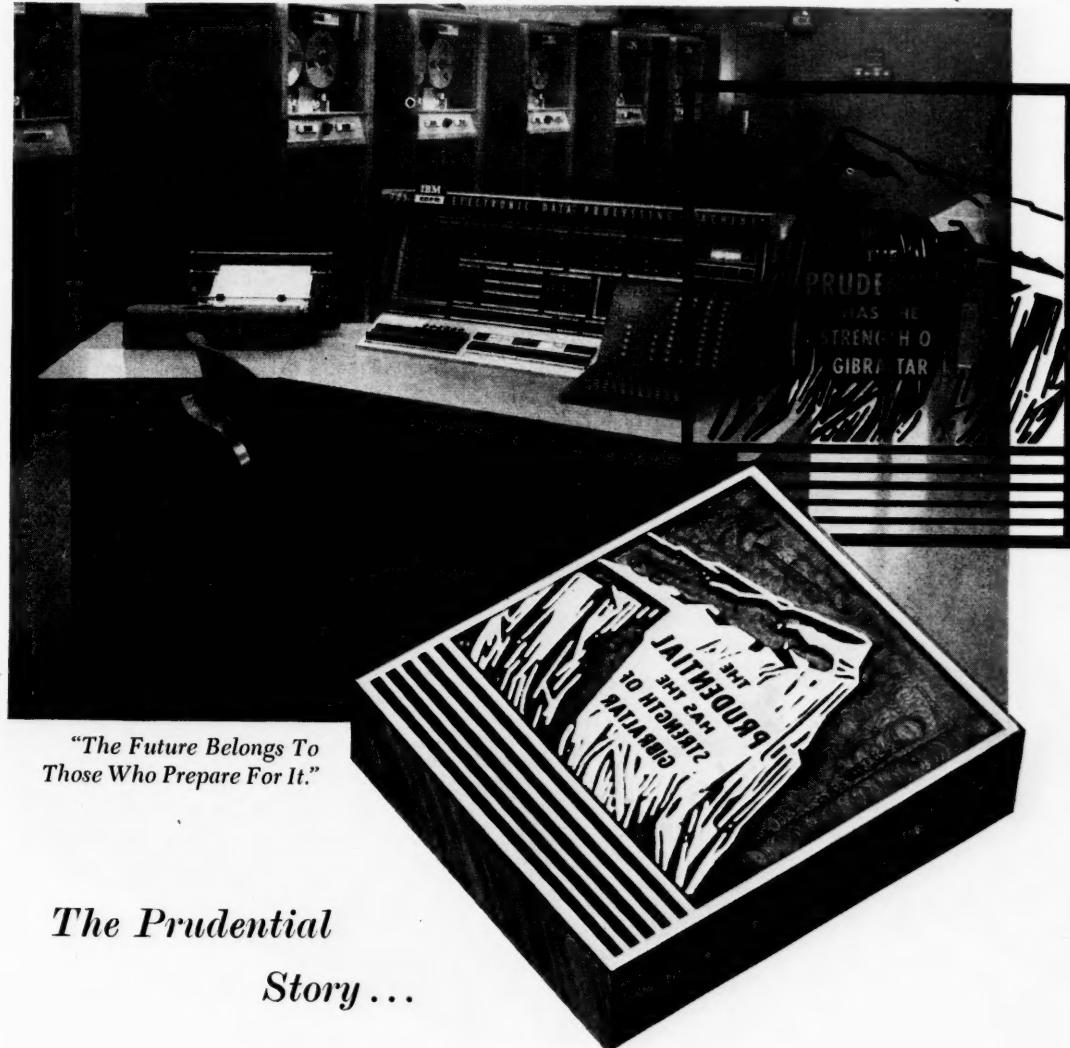
Canadian Actuaries Elect G. G. Myer as President

G. G. Myer, associate actuary of Confederation Life, was elected president of Canadian Assn. of Actuaries at the group's recent annual meeting in London, Ont., succeeding N. D. Campbell, vice-president and actuary record.

Pay \$26 Million in Auto Deaths

Life insurance death claims on motor vehicle fatalities amounted to \$26 million on 11,000 cases in the first quarter of 1957, according to Institute of Life Insurance. An increase of \$3 million, it is the largest first quarter total of such payments on

IBM 705—BROADENING THE SCOPE OF INSURANCE SERVICE...



"The Future Belongs To Those Who Prepare For It."

The Prudential Story...

OVER 3½ MILLION POLICIES BILLED ELECTRONICALLY

More than 3½ million active policies billed and *policy records maintained electronically!* That's the big story behind Prudential's IBM 705's, the largest *fully converted* life insurance data processing system anywhere. *Only six weeks* after launching this huge program, parallel procedures were dropped and the old records abandoned!

With premium billing and mortgage loan accounting in actual operation, Prudential is now well on the

way toward complete electronic systems for ordinary premium, loan and dividend accounting, debit policy accounting, field payroll and ordinary valuation and mortality studies. And, as further steps to swifter, more accurate service, the Prudential is installing IBM 705 systems in its Los Angeles and Jacksonville home offices this year.

To discover how your own company can achieve these benefits... get the whole IBM 705 story now.

Learn about 705's speed of conversion, the swifter actual production, and the accuracy that means parallel procedures are dropped sooner. Call your IBM representative or write: LIFE INSURANCE DEPARTMENT A57, International Business Machines Corporation, 590 Madison Avenue, New York 22, N.Y.

You are cordially invited to see the IBM 705 and data processing facilities at Prudential.

IBM

**DATA
PROCESSING**

Data Processing • Electric Typewriters • Time Equipment • Military Products

'PRUDENTIAL ACT LIBERALIZED'

Fla. Steps Up Tax Incentive to Lure Additional Regional Home Offices

TALLAHASSEE—Florida, already receiving economic benefits from five regional home office insurance companies established since 1953, has recently intensified its efforts to persuade others to locate in the state.

The 1953 legislature liberalized the state's insurance tax laws to give preferential treatment to companies which

established regional offices in Florida. The 1957 session broadened the 1953 act to include some insurance groups previously left out.

State Treasurer and Insurance Commissioner Larson, one of the principal sponsors of both the 1953 and 1957 laws, said he felt the new statute would help encourage other compa-

nies decide on Florida as the location for their regional offices.

B. R. Fuller Jr., director of the Florida development commission, concurred with Mr. Larson's statement and praised the insurance commissioner and the legislature for the incentives being offered to induce more regional insurance company offices to locate in the state.

"Our experience has proved that these regional offices represent a tremendous contribution to Florida's progress," Mr. Fuller declared. "Their year-round payrolls help stabilize our

economy and the kind of people they employ make good citizens for their communities and our state."

The 1953 law, sometimes referred to as "the Prudential act" because this company was first to establish regional operations here, granted tax credits against both real estate assessments and the 2% premium tax charged all out-of-state insurers operating in Florida. The 1953 law specifically applied to single companies, and in order to receive benefits under the act, these companies had to construct and substantially occupy a building and establish an operation sufficient to serve three or more states from the Florida office.

The 1957 amendment to the 1953 acts extends these tax credits not only to single companies but also to groups of companies under common ownership or control that establish a regional home office in the state under provisions of the act.

Tax credits granted, in the case of a life company, amount to 50% of the 2% premium tax, plus the full amount of ad valorem taxes, provided the total exemption does not exceed 80% of the amount of the total payable premium tax for the business year. For companies writing multiple lines, these would receive the 50% credit against the 2% premium tax after being given credit for taxes already paid to the industrial commission on workmen's compensation insurance and to the police and firemen's pension funds in the various municipalities. These companies would receive the same exemption on ad valorem taxes as would the life companies.

Since enactment of the 1953 act, five regional home offices have been established in Florida. The largest of these is the regional home office of Prudential, which is located in Jacksonville. Also locating in Jacksonville were State Farm Mutual of Bloomington, Ill., and George Washington Life of Charleston, W. Va. Iowa Home Mutual Ins. Co. of Des Moines located an office in Miami and Shelby Mutual of Shelby, O., youngest of the offices in Florida, established in Winter Park during the past year.

The first four of these companies have received tax credits under Florida's law for the past three business years, 1954, 1955 and 1956. Total taxes saved by the four for the combined three-year period amounts to \$1,170,909. They paid a total of \$760,590 in taxes for the same period, a combined saving of \$410,318.87 for having their regional offices in Florida.

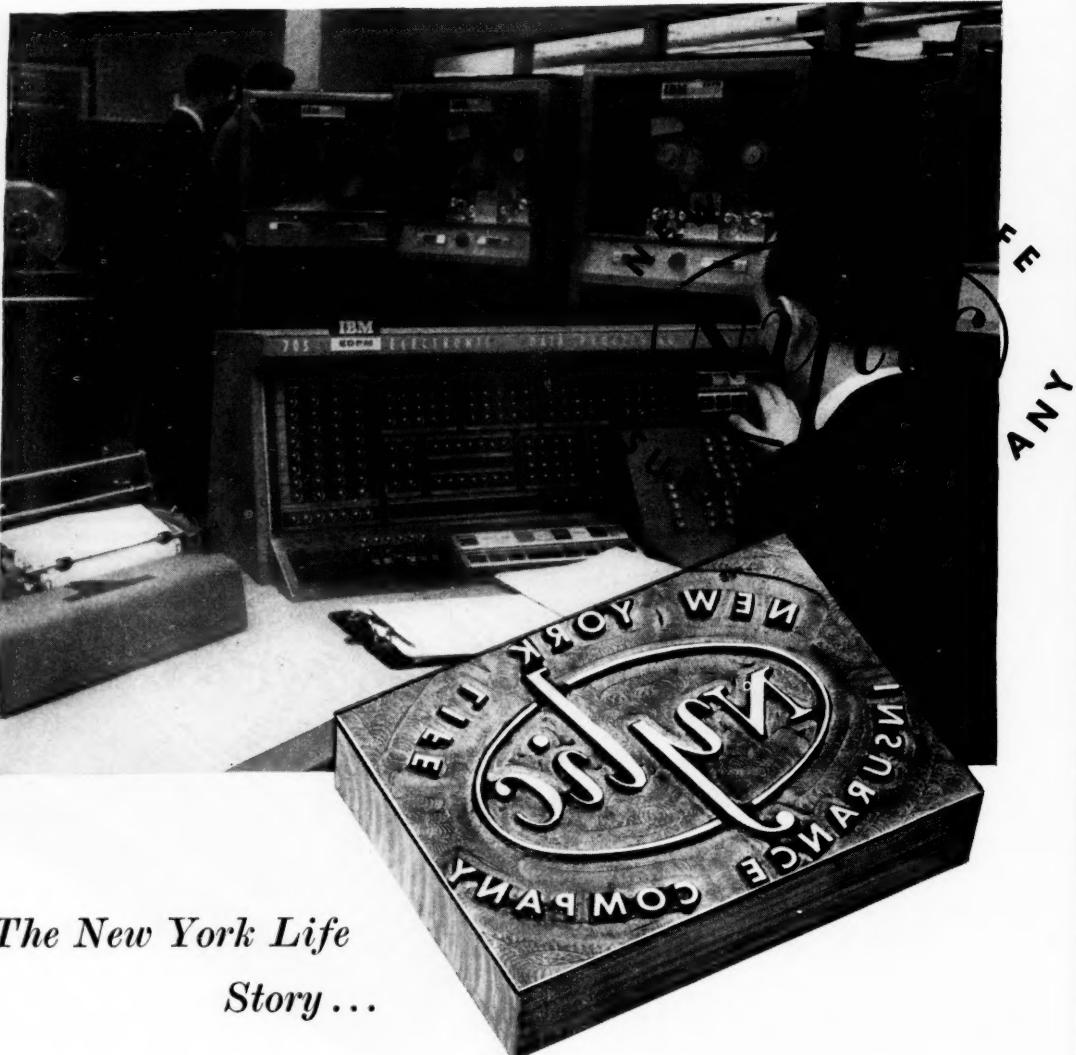
While the tax savings to these companies have been great, the added value to Florida's economy has been even greater. A survey in 1956 indicated that the first four of these companies furnished full-time employee positions to an average of nearly 3,000 persons annually, creating a combined average annual payroll of approximately \$8 million.

This latest act, enacted by the 1957 legislature, is expected to induce additional companies to establish regional home offices in Florida.

Provident Mutual Training School

Provident Mutual held a management training school for nine men selected from the field.

The program was directed by C. Gordon Ferguson, director of sales, and James F. Sutor, assistant manager of agencies. Training consisted of discussions of management problems and assignments to agencies. It was designed to equip trainees for agency management. The students were chosen for their personal production and supervisory ability.

IBM 705—BROADENING THE SCOPE OF INSURANCE SERVICE...

*The New York Life
Story...*

A TRIUMPH OF SPEED AND VOLUME

With its IBM 705, the New York Life Insurance Company was first to complete legal reserve valuation figures, using data derived from individual policy records on magnetic tape. These records covered about 4½ million "in force" policies. Computation time for these reserves of more than \$4,500,000,000 was less than 2 hours on the 705. In this time much more information was developed than in 24 hours on previous electronic equipment.

In addition this enterprising company made a major contribution to widening the acceptance of electronics for

the whole insurance field. They pioneered and received acceptance from New York State Insurance Department officials of magnetic tape as both a recording and processing medium for individual policy records and determination of policy reserves.

In another instance, in calculating premiums and reserves for a new insurance plan, New York Life—through the use of the 705—was able to do work that would have required 3,300 hours by manual methods in only 31 hours—of which less than 30 minutes were required for computations on the 705.

To discover how your own company can achieve these benefits . . . get the whole IBM 705 story now. Learn about 705's speed of conversion, the swifter actual production, and the accuracy that means parallel procedures are dropped sooner. Call your IBM representative or write: LIFE INSURANCE DEPARTMENT A57, International Business Machines Corporation, 590 Madison Avenue, New York 22, New York.

You are cordially invited by New York Life to see their IBM 705 Exhibit Room at their home office.

IBM

**DATA
PROCESSING**

Data Processing • Electric Typewriters • Time Equipment • Military Products

**Com
Revis**

LITTLE has app
ance cod
1957 legi
insurance
bring its
general a

The g
made fro
various a
business.
son, Little
counsel f
represent
former A
rison, Li
senting t
interests;
tle Rock
sel for M
stock fir
est; a
local ag
Arkansas
who repr
member o
ance Com
an ex-off

The new
confer wi
attle insur
ist in ins
Commission
able that
Mr. Willia
sion job u
by the le
continued.

**FTC He
Federal**

Federal
heard oral
supporting
complaint
ualty of B
from Exam
case. The
under advi

John W
gal staff
overruled
er, Detroit
Life, wher
laws gover

**Credit C
Elects S**

Theodore
tral Life, a
States H. &
man and
Consumer C
annual me
Other of
Volunteer
Buck, Feder
William F.
Life, secre
J. Walsh, C
Assn, gene

**Establish
Compute**

Texas 1
without th
tronic da
be interest
Rand has
computing
odist univers

A Univ
which is a
solve comp
search prob
at the cam
ington Rand
er as a sou
bureau, off
ance and ot

Commission Named to Revise Arkansas Code

LITTLE ROCK—Governor Faubus has appointed the state's new insurance code commission, created by the 1957 legislature, to recodify Arkansas insurance laws. The commission is to bring its proposed code before the 1959 general assembly for adoption.

The governor's appointments were made from nominations submitted by various groups within the insurance business. Named were: Edwin F. Jackson, Little Rock attorney and assistant counsel for National Old Line Life, to represent the life company interests; former Arkansas Commissioner Harrison, Little Rock attorney, representing the mutual fire and casualty interests; James I. Teague, also a Little Rock attorney and Arkansas counsel for National Board, representing stock fire and casualty company interests; and Louis Rosen, Little Rock local agent and a past president of Arkansas Assn. of Insurance Agents who represents local agents. The fifth member of the commission is Insurance Commissioner Combs, serving in an ex-officio capacity.

The new commission is expected to confer with Robert D. Williams, Seattle insurance attorney and a specialist in insurance recodification work, Commissioner Combs said. It is probable that the commission may employ Mr. Williams to undertake the revision job under the appropriation made by the legislature last February, he continued.

FTC Hears Appeal in Federal L.&C. Case

Federal Trade Commission has heard oral arguments by its lawyers supporting the false A&S advertising complaint against Federal Life & Casualty of Battle Creek on their appeal from Examiner Hier's initial decision that FTC lacked jurisdiction in the case. The commission took the matter under advisement.

John W. Brookfield of the FTC legal staff said Mr. Hier should be overruled or reversed. Frank E. Cooper, Detroit attorney representing Federal Life & Casualty, said the states where the company is licensed have laws governing life companies.

Credit Company Assn. Elects Sanborn, Mace

Theodore S. Sanborn, North Central Life, and John D. Mace, Central States H.&L., have been elected chairman and president, respectively, of Consumer Credit Insurance Assn. at its annual meeting at Atlantic City.

Other officers are: Frank A. Hill, Volunteer State Life, and Harold L. Buck, Federal L.&C., vice-presidents; William F. Martin, Central National Life, secretary-treasurer, and William J. Walsh, Consumer Credit Insurance Assn., general counsel.

Establish Electronic Computer Center at SMU

Texas life insurance companies without their own large-scale electronic data processing systems may be interested to learn that Remington Rand has established an advanced computing center at Southern Methodist university in Dallas.

A Univac scientific computer, which is a large system designed to solve complex engineering and research problems, will be in operation at the campus before autumn. Remington Rand will operate the computer as a southwestern regional service bureau, offering its services to insurance and other companies for \$325 an

hour. The university will use it without charge for research and education.

Darling to Head New Company Training Program

Clarence R. Darling, associate director of Southern Methodist institute, will resign that post July 1 to become director of training for State Capital Life of Raleigh. He will establish a company wide agent training program.

Before joining the institute faculty in 1952, Mr. Darling was an agent, agency supervisor and group specialist with John Hancock.

Texas Holding Company

Tells 5 for 1 Stock Split

Stockholders of Great American Life Underwriters were notified in a letter sent June 17 from San Antonio, the home office, that the directors are recommending a five for one stock split. Charles E. Becker, chairman of GALU and president of Franklin Life, of which GALU is a large stockholder, said study has been made for some time of the possibilities of a split.

The present holding of one share of

GALU is the equivalent of about 9 1/2 shares of Franklin Life. A recent quote on GALU is \$590 bid.

Prior to the notice on the proposed stock split, GALU filed notice of intent to apply for an order to exempt GALU from the Security and Exchange Commission investment company act of 1940. This would free GALU from certain restrictions, and it is said the order is asked on the grounds that GALU is no longer an investment company but is in the life insurance business through a controlled company (Franklin Life).

IBM 705—BROADENING THE SCOPE OF INSURANCE SERVICE...

Living Insurance
by Equitable

Equitable Life Assurance Society of the U. S.

The Equitable Story...

PRODUCTION—IN JUST 2 WEEKS!

Just two weeks after Equitable installed its IBM 705 electronic data processing system, the 705 was at work calculating policyholders' dividends. This achievement, the result of very careful planning, was an important step towards Equitable's goal of an integrated data processing system based on the 705.

In addition, Equitable, with its 705 system, has the means to gain

better and more prompt data for management control, and it has already taken advantage of its improved research facilities. The 705 has opened new horizons for employees, new possibilities for service to policyholders and field personnel. Outright purchase of the Central Processing Unit and certain related parts of the 705 was made just 10 weeks after the original installation.

To discover how your own company can achieve these benefits...get the whole IBM 705 story now. Learn about 705's speed in actual production, and the accuracy that means parallel procedures are dropped sooner. Call your IBM representative or write: LIFE INSURANCE DEPARTMENT A57, International Business Machines Corporation, 590 Madison Avenue, New York 22, N.Y.

IBM

**DATA
PROCESSING**

Data Processing • Electric Typewriters • Time Equipment • Military Products

Senate Gets A&S Plan for Federal Employees

A bill proposing a health insurance program for practically all federal employees, embracing both basic and major medical, has been introduced in the Senate. A companion bill is expected to be introduced in the House shortly.

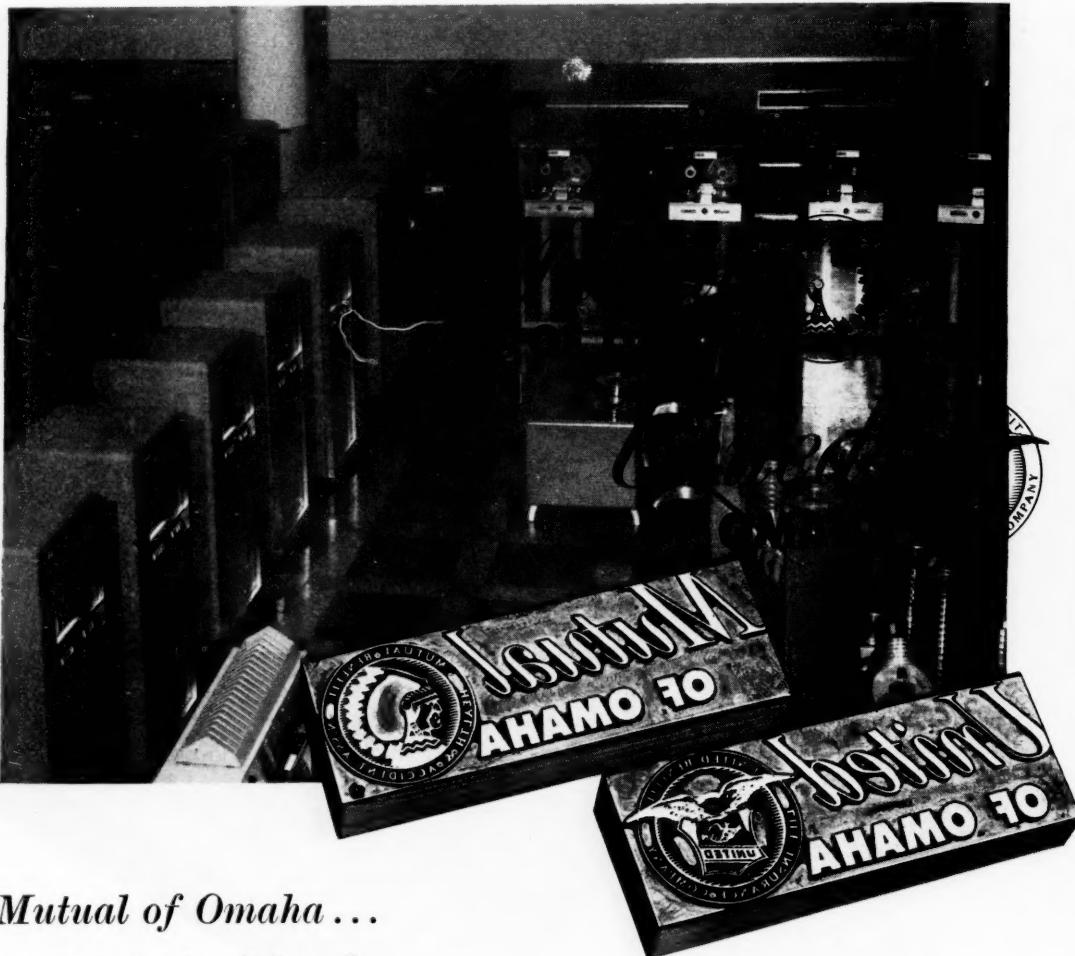
The Senate measure was introduced by Sen. Odin Johnston, chairman of the post office and civil service committee, who said indications for hearings this year on the bill in the Senate

are remote.

Under terms of the bill, SB 2339, the government would pay one-third of premiums of both the major medical and basic coverages. This would be limited on basic coverage to no more than 50 cents biweekly per single employee or no more than \$1.50 bi-weekly if married with dependents. For major medical a flat payment of one-third amounting to 12.5 cents bi-weekly for single employees and 37.5 cents bi-weekly for employees with dependents. The employees' contribution would be made by payroll deductions.

Major medical insurance would pay 75% of the covered hospital expenses after the first 70 days, and 75% of all covered medical costs not paid for by basic coverage except the first \$100 of such costs and surgical charges up to an amount set by Civil Service Commission for a particular operation. Benefits under the major medical would be limited to a lifetime maximum of \$10,000 and a calendar year maximum of \$5,000, after benefits of \$1,000 had been paid. Reinstatement of the \$10,000 maximum is provided if he is completely recovered.

IBM 705—BROADENING THE SCOPE OF INSURANCE SERVICE...



Mutual of Omaha ...

United of Omaha ...

A STORY OF BETTER, SWIFTER SERVICE

Among other notable results, these progressive midwestern companies have reduced their lead time for writing notices from 45 to 10 days—with their IBM 705. The first 41,000 notices, prepared on the 705, were in the mail the latter part of April for May policies.

And these are just a few of the benefits they receive from their new electronic system. For example, their IBM 705 increases their over-all output, providing swifter, more accurate service to all their policyholders.

And internally, 285 routine tasks will be abandoned, creating a whole new up-graded level of interesting jobs for company employees. In addition, their IBM 705 has released areas of costly floor space formerly occupied by equipment and records no longer needed.

To discover how your own company can achieve these benefits... get the whole IBM 705 story now.

Learn about 705's speed of conversion, the swifter actual production, and the accuracy that means parallel procedures are dropped sooner. Call your IBM representative or write: LIFE INSURANCE DEPARTMENT A57, International Business Machines Corporation, 590 Madison Avenue, New York 22, N.Y.

You are cordially invited to see the IBM 705 and data processing facilities at Mutual of Omaha and United of Omaha.

Data Processing • Electric Typewriters • Time Equipment • Military Products

IBM DATA PROCESSING

Tells L. A. Managers to Keep Abreast of What Public Wants

If the American agency system is to survive and prosper, the agent and manager must view their problems objectively and keep current on trends which actually are dictated by the American public—the insurance buyer, William B. Stannard, president of LIAMA and agency vice-president of Occidental Life of California, told the recent annual meeting of Los Angeles Life Insurance Agency Managers Assn.

Mr. Stannard pointed out that 35 years ago most companies were content to offer their customers a limited number of insurance contracts and did not choose to sell accident and sickness policy contracts or group insurance. In those days, he said, and up until recent times, the sale of A&S and group was left pretty much up to the casualty companies.

"Because the life insurance industry on the whole was reluctant to expand its services to the client, the brokerage business sprang up to fill the ever increasing void."

In recent years, he pointed out, life companies have added more and more merchandise to their shelves in an effort to supply their field men with a full array of policies designed to meet every need of the public.

At the same time, life companies are buying casualty companies and casualty companies are buying life companies in order to provide their field men with the ultimate in "one-stop" insurance coverage for the client and prospect.

"Activity of this sort up to now is limited in nature and I'm not presuming to suggest that it is indicative of a trend," he said.

"However, it is critically important that every agent and manager keep informed of these developments as they occur and adapt his thinking and his attitude to take these developments into account in his long-range planning and thinking," Mr. Stannard said.

For these developments merely mirror public demand, he continued, and it is our responsibility—the man in the field and his manager—to interpret public demand.

If we interpret public demand and desires objectively, unclouded by outdated methods and thinking, we can play a major role in keeping abreast of, and in some instances ahead of the wants and needs of our dynamic, expanding economy.

"In the final analysis," Mr. Stannard concluded, "the public is going to be served and I'm confident that the American agency system will continue to meet the challenges and problems we face today, as it has met and successfully conquered problems in the past."

Smith of Southland Life Heads Dallas Managers

J. Frank Smith, Southland Life, was elected president of Dallas General Agents & Managers Club to succeed Jack Pierce, State Mutual Life. Other officers elected included Orville Erickson, John Hancock, 1st vice-president; Lloyd Silberberger, Connecticut Mutual Life, 2nd vice-president; Raymond Campbell, Massachusetts Mutual, secretary, and Jim Harp, Business Men's Assurance, treasurer. Directors added to the board are Mort Crapter, Southwestern Life; Ricks Strong, John Hancock, and R. Barney Shields, Great National Life.

Nate I...
lis Life a...
congratula...
H. Huehl...
ing the re...
aign. Mr...
ations for...
during the...
but \$17,0...
plans of pe...

Howard...
of Occid...
Long Co...

Howard J...

Trust Co...
served as...
until 1916...
as a privat...
He later s...
War I and...
a captain.

He return...
age of 27 v...
ance commi...
sition until...
ho State L...
of that co...
sured by O...
Mr. Brace...
assistant sec...

Noted for...
field of in...
Brace also...
Passe Club...
zation of ex...
The club, f...
ly became...
Brace was...
meeting of...
in New Yo...
ganization...
ex-commiss...
ada is a mem...

Treasure...
Authoriz...

Treasure...
been autho...
Montana. O...
J. J. McC...
Huntley Ch...
ident; Oak...
er, and W...
secretary. M...
insurer has...
all Montan...

Treasure...
active life co...
tama, the o...
ern Life at...
New Ameri...
the stock-sel...



Pa. Defeats Union Welfare Fund Bill

A bill to bring union health and welfare plans under the regulation of the Pennsylvania insurance department by requiring registration and reports of all such plans was killed just prior to adjournment when the state senate, by a vote of 27 to 18, sent the measure back to the insurance committee. The bill, which would have set up an advisory council to make recommendations to the commissioner in administration of the fund regis-

tration, earlier passed the house unanimously.

Prior to recommittal of the bill Sen. Wade of Cumberland offered amendments to eliminate single employer groups from the reports, and limit the measure to Taft-Hartley union type cases which have come in for criticism. The amendments were not adopted.

Pennsylvania Assn. of Life Underwriters opposed the measure, but said it would not object to discretionary controls vested with the insurance department to probe plans when ques-

tions are raised as to their operations. The bill covered too much territory. The reports required by the bill would have imposed unnecessary expenses on companies having well-functioning systems, the association said.

Backers of the original measure said it had the support of Pennsylvania Federation of Labor and State CIO Council.

Gordon F. Hillman has been elected vice-president of Reserve Life of Dallas. For the past 10 years he has been office manager of disability insurance sales department of the company.

Nate Kaufman, with Indianapolis Life at Shelbyville, Ind., receives congratulations from President Walter H. Huehl for his outstanding job during the recent president's month campaign. Mr. Kaufman wrote 65 applications for \$1,044,000 of new business during the campaign and all of this but \$17,000 represented individual plans of permanent insurance.

Howard J. Brace, V-P of Occidental of Cal., Ends Long Career July 1

Howard J. Brace, vice-president and secretary of Occidental Life of California and with the company for nearly 33 years, will retire July 1. He has been secretary of Occidental since 1935, vice-president since 1943 and a director since 1946.

Mr. Brace's colorful insurance, civic and military career dates back to 1911 when he joined Security Trust Co. of Idaho Falls, Ida. He served as secretary of that company until 1916 when he joined the army as a private for Mexican border duty. He later served in Europe in World War I and ended his army service as a captain.

He returned to Idaho and at the age of 27 was appointed Idaho insurance commissioner. He held that position until 1924 when he joined Idaho State Life. He was vice-president of that company when it was re-insured by Occidental Life in 1925, and Mr. Brace then joined Occidental as assistant secretary.

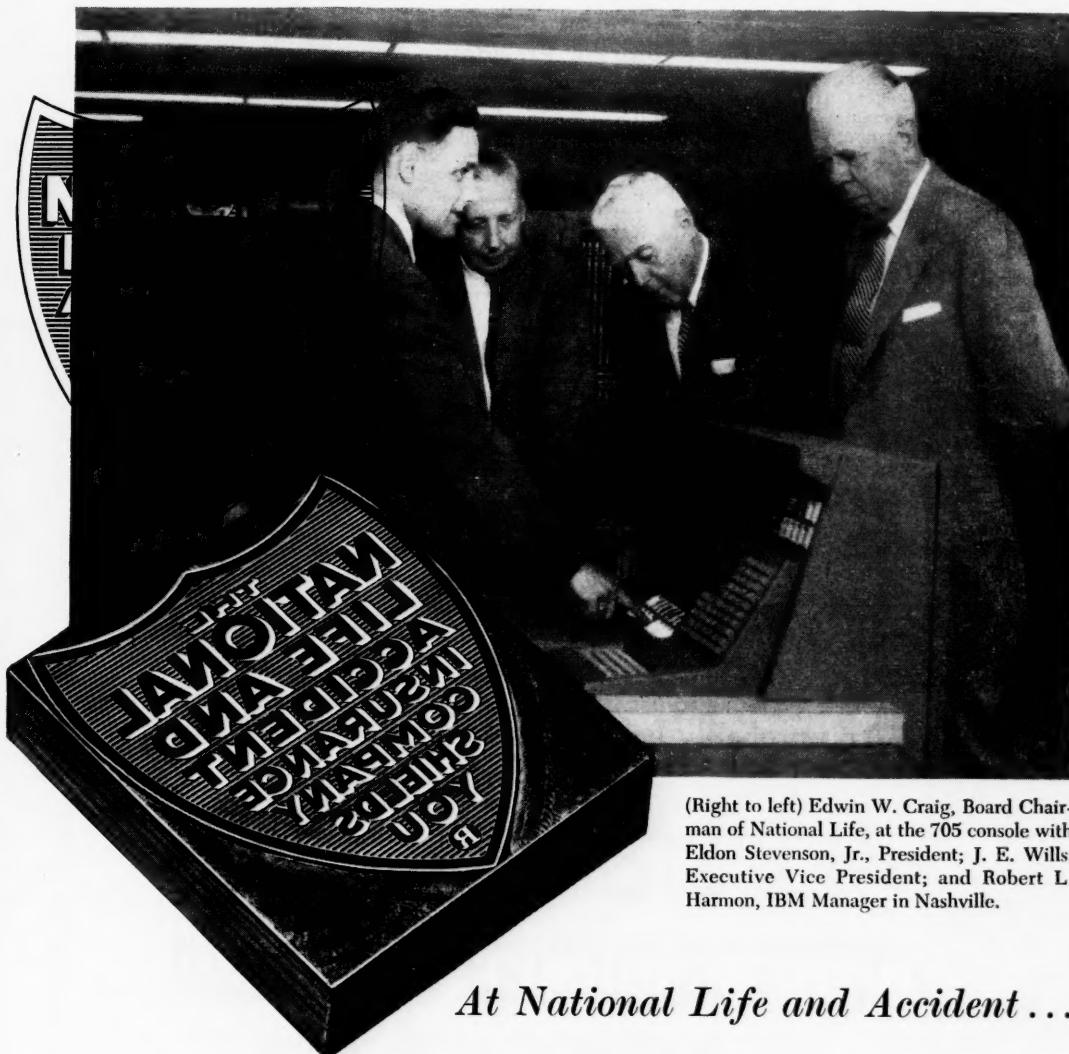
Noted for his wise guidance in the field of insurance investments, Mr. Brace also is a chief figure in the Passe Club International, an organization of ex-insurance commissioners. The club, founded in 1926, subsequently became inactive, but in 1947 Mr. Brace was drafted at the annual meeting of insurance commissioners in New York to reactivate the organization. Now, nearly every living ex-commissioner in the U. S. and Canada is a member.

Treasure State Life Authorized in Montana

Treasure State Life of Butte has been authorized to do business in Montana. Officers in the company are: J. J. McCaffery, Butte, president; Huntley Childs, Livingston, vice-president; Oakley Coffee, Missoula, treasurer, and William H. Clarke, Helena, secretary. Mr. McCaffery said the new insurer has about 2,000 stockholders, all Montana residents.

Treasure State Life is the second active life company domiciled in Montana, the other company being Western Life at Helena. A third company, New American Life of Billings, is in the stock-selling stage.

IBM 705—BROADENING THE SCOPE OF INSURANCE SERVICE...



(Right to left) Edwin W. Craig, Board Chairman of National Life, at the 705 console with Eldon Stevenson, Jr., President; J. E. Wills, Executive Vice President; and Robert L. Harmon, IBM Manager in Nashville.

At National Life and Accident...

Integrating Data Processing...

5 REGISTERS INTO 2!

Within three weeks after delivery of its IBM 705, National Life and Accident was producing in minutes actuarial data that previously had taken months to do.

And coming up is a plan to produce Weekly, Monthly and Ordinary Life and Lapse Registers, including Commission Statements, in such a manner as to combine five registers into two.

These are just some of the new methods planned by National Life and Accident. Some of the others are Agents' Production and Compensation Records, Policy File Maintenance, Field Payrolls, Policy Settlements, and Agents' Debit Accounting.

To discover how your own company can achieve these benefits... get the whole IBM 705 story now. Learn about 705's speed of conver-

sion, the swifter actual production, and the accuracy that means parallel procedures are dropped sooner. Call your IBM representative or write: LIFE INSURANCE DEPARTMENT A57, International Business Machines Corporation, 590 Madison Avenue, New York 22, N.Y.

You are cordially invited to see the IBM 705 and data processing facilities at National Life.

IBM

**DATA
PROCESSING**

Data Processing • Electric Typewriters • Time Equipment • Military Products

A & S

Bull of Aetna Heads
Indianapolis A&S Assn.

W. Howard Bull, group manager, Aetna Life, was elected president of the Indianapolis A&H Assn. at its annual meeting and outing on June 8.

Other officers elected were Malcolm Dunlap, general agent, Massachusetts Indemnity & Life, vice-president; Harry Guion, Business Men's Assurance, treasurer, and R. W. Osler, Rough Notes Co., secretary.

Elected to a two-year term on the board of the association were Jack Grierson, Orwig agency, and L. D. Costin, general agent, All-American L&C. James Barbour, general agent, Continental Casualty, retiring president, automatically becomes chairman of the board.

The election of Mr. Dunlap left a vacancy on the board. Such vacancies are filled by appointment by the president with the approval of the board. While no official appointment has been made to fill out Mr. Dunlap's

unexpired term, it is generally understood that the post will go to W. Harold Petersen, superintendent of agencies for A&S, American United Life.

Poll Mich. Public on
A&S Coverages Desired

Michigan State Medical Society and Michigan Health Council are polling a total of more than 100,000 residents to determine what services the public wants covered by medical payment plans, what services are most vital, how much the public is willing to pay, what doctors want for prepaid programs, and what the public's chief medical needs are.

New Michigan A&S Assn.
Elects Morton President

The newly-charted Southwestern Michigan A&H Assn. has elected Morris S. Morton, Lincoln National Life, Kalamazoo, as its first president at a meeting in Galesburg. Other officers installed are: J. R. Harrell, Republic National Life, Battle Creek, 1st vice-president; Duane F. Burnham, Federal Life, Kalamazoo, 2nd vice-president; and Samuel A. Kellogg, Prudential, Battle Creek, secretary-treasurer.

Texas A&H Men Elect
J. V. Borden President

John V. Borden, International Life, Austin, was elected president of Texas A&H Claims & Underwriters Assn. to succeed E. O. Severin, vice-president of Commercial Standard Life, at the annual convention in Houston.

Other new officers are W. P. Hirsch, American Hospital & Life, San Antonio, vice-president and James J. Killmar, Republic National Life, Dallas, secretary-treasurer.

James R. Williams, vice-president of Health Insurance Institute, speaking on public relations and its importance to the average claims man and underwriter, described public relations as being 90% performance and 10% talk. He declared that without performance there is little reason for talk.

Warning that unless companies are vigilant in regard to service, they cease to be competitive and invite other companies to forge ahead, H. Lewis Reitz, executive vice-president of Great Southern Life, urged companies to act as checks against encroachment

of forces that would take over the private insurance business.

Other convention speakers were: Newton Gresham, Houston attorney and president of Texas Bar Assn.; Elmer T. Carl, assistant vice-president of Employers Re, and J. Griffin Heard, vice-president and medical director of South Coast Life.

Ill. A&H Underwriters
Visit 'Electronic Brain'

Members of Illinois A&H Underwriters Forum toured the IBM 705 computer installation at the home office of Continental Casualty and Continental Assurance at the June meeting. Walter Whitmyre, IBM insurance department representative, conducted the tour and gave a talk on the application of the "electronic brain" to policy billing and record procedures.

Wisconsin A&H Agents Assn.
Elects Raymond President

Wisconsin Assn. of A&H Underwriters has elected Hugh G. Raymond, Massachusetts Protective, Madison, president. Other officers are: George R. Welter, Time, Eau Claire, executive vice-president; Harold D. Fair, Grain Dealers Mutual, Madison, vice-president; Alfred K. Perego, Perego agency, Milwaukee, treasurer; and Leo E. Packard, Packard-Carson agency, Milwaukee, secretary.

Investigate BC in Mass.

A special committee has been appointed by the Massachusetts legislature to probe Blue Cross rates and practices, following the recent approval of a Blue Cross rate increase of 14 to 44% by Commissioner Humphreys. This is a house committee and will be composed of representatives of both political parties.

E. Wis. A&S Agents Elect

Eastern Wisconsin Health & Accident Assn. has elected William Borman president to succeed Paul Moldenhauer. Also elected were: Hugo Bachhuber, vice-president; Virginia Wiegert, secretary-treasurer, and Carl Brandt, Arthur Wellens, and Erwin Albrecht, directors.

Detroit Claim Group Elects

Life, Accident & Health Claims Assn. of Detroit has elected Linton Copeland, American Hospital Medical Benefit, as its new president. J. F. Noonan, Continental Casualty, is vice-president; Joseph O'Connor, Equitable Society, treasurer, and Charles Bauer, National Casualty, secretary.

L. F. Gibson Jr. has been elected executive vice-president and agency director of Lone Star Life.

WEST COAST
LIFE—A. & H. POSITIONS
\$7200—\$12,000

Life-Agency Director \$12,000.
Jr. Actuarial Assistant 9,000.
A. & H. (non-can) Underwriter 8,500.
Group Representatives 8,000.
A. & H. Claims Supervisor 7,500.
Life (Ordinary) Accountant 7,200.
Life-Field Supervisors 8,500.
Large selection of positions available for Life—A. & H. men with two years experience and up—All areas of the country. Majority of our positions—Employers pay fee and moving expenses. Write for objective information about our personnel service—no obligation to register. Confidential handling of all inquiries.

FERGASON PERSONNEL
Insurance Personnel Exclusively
330 S. Wells Chicago 6, Ill.
Harrison 7-9040YOU OWE THEM
THE STORY

You probably have a number of policyholders who look to you for advice and counsel about their insurance needs. You owe it to each policyholder—and to yourself—to tell him about the importance of protection against the loss of his income because of a long term disability. It will pay off not only in additional business for you, but in the personal satisfaction that you have helped to protect your client against one of his greatest financial hazards.

BROKERAGE BUSINESS INVITED

PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
CHATTANOOGA

1887 — 70th Year — 1957



Actual
Intern
In U.

The 15th
Actuaries
fall, with
ing taking
Oct. 14 an
gress met

More t
countries
have indic
600 will c
side the U
gram will
work will
papers on

General
development
processing
for life ins
the classific
dual life ins

One day v
al expressi
general insu
changes on
ance, pensio
surance, an
making actu

As they ta
ings of the
into five la
German, Ita
will be equi
by means o
actuary will
language wi
miliar.

During the
gress, the ac
ronto, where
a 2-day pro
dian hosts. T
York to atten
where a det
tronic data p
be held.

Other high
day reception
and ball. A
made for tr
Niagara Falls
visit insuranc
demonstratio
cessing equip

Chairman o
tee for the m
ton, chairma
Vice-chairma
vice-president
Canada Life,
tine Howell,
of Prudential.

Committee
Anderson, pre
ican Life of To
ke, president
Alden T. Bung
ciate actuari
tair M. Campb
ident of Sun
Cruess, vice-p
ary of Mutual
Davis, vice-p
of Metropolit
Guest, vice-p
Mutual.

Also Benja
president and
tion Life; Rein
president and
table Society;
president and a
tuary; Laurence
tuary of No

Where is the other \$5,000?

A PROSPECT had two friends in the Life Insurance business and wanted to split his purchase of permanent insurance between them. As a solution he gave each man an equal amount of money and had each place a policy on his life. Within a year he died. One agent called on the widow with a check for \$25,000 — the proceeds of a Manufacturers Life G.M.P.* contract. Within a few days the second man delivered the proceeds of the \$20,000 policy that he had arranged at the same premium. He faced an embarrassing situation when the widow asked, "Where's the other \$5,000?"

There would have been little comfort for her in the explanation that — if the policyholder had lived, if the Company had met its current dividend estimates, and if the insurance were no longer needed — the policy would have shown a low net surrendered cost at the end of 20

years. From the widow's point of view the "other \$5,000" was a much more significant cost.

This is an illustration of what can happen when Life Insurance is purchased on a net surrendered cost basis rather than for maximum protection. We believe there's only one significant cost factor when you are selling a client who requires substantial lifetime coverage. That's cost in terms of maximum protection for the beneficiary for a given guaranteed outlay. Consider our G.M.P. contract from this angle. At age 35, \$1,000 a year will provide over \$54,000 of G.M.P. — as compared to less than \$43,000 under most whole life par contracts on which low net surrendered costs are currently estimated.

Why don't you call Manufacturers Life for help with your next "net cost" competitive case?

*Whole Life non par \$25,000 minimum.

BRANCH OFFICES IN THE FOLLOWING CITIES:

BALTIMORE • BOISE • CHICAGO • CINCINNATI • CLEVELAND • COLUMBUS • DETROIT • HARTFORD
HONOLULU • LANSING • LOS ANGELES • MIAMI • MINNEAPOLIS • NEWARK • PHILADELPHIA
PITTSBURGH • PORTLAND • SAGINAW • SAN FRANCISCO • SEATTLE • SPOKANE • WASHINGTON, D.C.

Also licensed in Arizona, Delaware, Kentucky, Virginia and West Virginia

THE

MANUFACTURERS LIFE COMPANY

52-57



GOLDEN

Anniversary
JUBILEE

Just thought you would like to know...

It's almost here . . . our GOLDEN ANNIVERSARY JUBILEE . . . September 4, 5, 6. Our fifty years of growth is really something to celebrate, but have you noticed our record for the last five years? Wow!

NORTH AMERICAN LIFE
Insurance Company OF CHICAGO

NORTH AMERICAN BUILDING

CHICAGO 3, ILLINOIS

Life Insurance • Complete line of Accident & Health Contracts



RECORDS

New York Life Passes \$2 Billion Mark of Group Life in Force

New York Life has passed the \$2 billion mark of group life insurance in force. The \$1 billion mark was reached in June, 1955.

New business in the first five months of 1957 totaled 355 new group sales for \$6,717,835 of estimated annual premium and \$378,472,823 of new group life volume. This total does not include 1,229 employee protection plan sales on groups of five to 50 employees.

While the volume of group life has grown steadily, the greatest sales activity has been the result of current interest in the new major medical contracts, Ervin C. Jones, 2nd vice-president in charge of group sales, told a New York conference of regional group managers. Much of the meeting was devoted to changes in major medical contract forms, maximum benefits and rate structures.

Regional managers at the home office conference were E. J. Anderson, northeast; Wade Davenport, midwest; Forrest Huffman, southern; William F. L'Heureux, western; William R. Livingston, Canadian, and Robert E. Purdy, mid-Atlantic.

GUARANTEE MUTUAL LIFE—In the past 10 years the 56-year old Guarantee Mutual Life has doubled its total assets and will, in the near future, double the amount of insurance in force. As of June 1, the company reached \$400 million in force and had total assets in excess of \$100 million.

May sales were up 40% over the same month last year and sales each month so far this year have successively been higher than the same months in 1956, which previously was the greatest business year in the history of the company. The leading agency for the first five months of this year is the Rothaus agency of Greeley, Colo. The leading agency for May was the United Investment Co. of Honolulu. The leading agents for the year and for the month of May are Gordon W. Mackey, Greeley, Colo., and J. Y. K. Cho, Honolulu, respectively. A&S business is up by 34.7% so far this year.

MIDLAND MUTUAL LIFE—A. Stuart Franklin, with the Van Elgort agency at Beverly Hills, Cal., has won the Midland Mutual "man of the month" honors for May by leading the company's entire field force. This is the second time this year and the 21st time during his career with Midland Mutual that Mr. Franklin has captured this designation. He has also been the company's man of the year for the past two years.

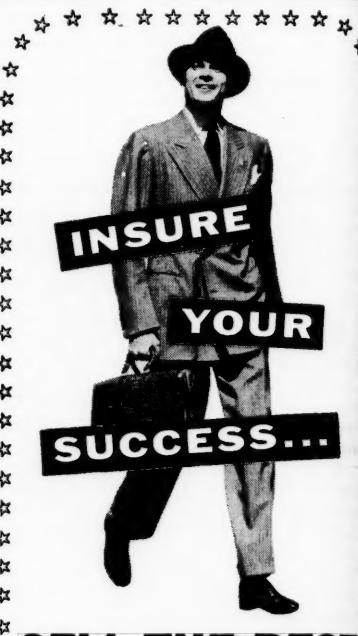
NORTHWESTERN MUTUAL—An all-time, single-month sales record was set in May by Northwestern Mutual Life which is now observing its centennial year.

May sales of \$85,349,331 were more than 22% above Northwestern Mutual's previous all-time record high for a month, established in January, 1947. In addition, new insurance paid for in May this year was 24% above May, 1956. Company sales for the first five months of the year were \$337,207,306, 15.2% above the same period of 1956.

STATE MUTUAL—Non-cash A&S paid for in May was the largest on record, up 13% in both volume and number of lives insured. The Rosen agency in Denver led in volume and number of lives in May, while the Selling agency in New York led for the year to date. Philip Hamburg, Boston, was individual leader for the month and Robert E. Sarhatt, Lansing,

led for the year to date. During a 1-week A&S contest in May, the Macaulay agency in Los Angeles led all agencies and C. Robert Schar, Pittsburgh, was the individual leader.

KANSAS CITY LIFE—The year 1957 is proving itself one of continual record-breaking experience for Kansas City Life. May not only was the biggest month of the year to date—and each of the first four months was a record-breaker in itself—it exceeded by 35.8% the previous largest May the company has ever known. The May total was \$18,282,770, an increase of \$4,821,535 over May of 1956 when the



SELL THE BEST in insurance!

Special plans and extra-special service mean fewer lost sales and increased income for you when you have United States Life to depend on. We may have the plan your client needs . . . as Brokerage Specialists we've grown through service into the Billion-in-force group. We welcome your surplus business and seek your inquiry! We have General Agency openings.

FOUNDED 1850

THE
**UNITED
STATES
Life** INSURANCE
COMPANY
IN THE CITY OF NEW YORK
BROKERAGE SPECIALISTS
"Your best friend—in any case"

Agency Department
United States Life Ins. Co.
84 William St., N. Y. C.

Let's move ahead together. Send me information about the Company and facts on Life A&H Group. I am interested in a General Agency.

Name. _____

Address. _____

Phone. _____

total of \$135,578,013 as of May 1, 1957, an increase of 15.2% over the monthly total for the same period of 1956, and a gain of \$14,745,102 over the same period of 1956.

LINCOLN—the fourth largest National Life in the May period, up 10.2% over the same period of 1956.

BANKERS—business to increase of net premiums of last year was ordinary group. Premiums for the first five months of 1957, an increase of 10.6% over the same period of 1956, which \$83,210,561 in 1956 was greater than the end of May, which \$1,664,270.

OHIO NATIONAL—president's Ordinary savings plus \$2,340,000 in honor of the 100th anniversary. The \$21 million in the assigned Seventy ages individually personal business personal phone thanks from

MAINE—surance in force for 16 months of the year was \$16 million while April premiums were \$3 million. In 1957, life savings volume increased 200. The average date is \$7,700.

BANKERS—Field men made the annual production in May, production in May and June. This is than \$2.5 million in campaign record. Agencies participating in the Francisco, leading the way.

The Silberman—true Life at Dallas as "Man of the Year" in business amount.

Midland—Dividends

Midland Mutual is A&S company's first to come two years entry into the Midland A&S, the dividend.

Great South—Interest for a

Great South compound sums paid in a Simultaneous discount for premiums be date is increased.

Increase Fees—Bankers Life its non-medical

total of \$13,461,235 marked the biggest May ever previously recorded. The monthly tabulations for the first four months of this year are: January, \$17,578,013 as against \$15,306,421 for January of 1956; February, \$17,689,733 against \$16,146,163 in 1956; March, \$18,214,463 as against \$17,128,126 in 1956, and April, \$17,582,995 as against \$14,745,102 in 1956.

Total gain for the first five months of 1957 is \$12,560,927 over 1956, an average gain of \$2,512,185 each month.

LINCOLN NATIONAL LIFE—For the fourth consecutive year Lincoln National Life broke their own record in the May president's month contest to honor President Walter O. Menge. Ninety-one agencies exceeded their quotas for the month, each quota representing a 25% increase over an agency's average monthly production for 1956.

BANKERS LIFE OF IOWA—May business totaled \$34,244,289, an increase of nearly \$13 million over May of last year. Of this total \$19,450,682 was ordinary and \$14,793,607 was group. Production for the first five months of this year totaled \$181,600,069, an increase of \$65 million over the same period last year. Of this total \$83,210,561 was ordinary and \$97,795,508 was group. Total in force at the end of May reached \$2,771,960,905, of which \$1,666,316,626 was ordinary and \$1,105,644,279 was group.

OHIO NATIONAL LIFE—May was president's month and the best ever. Ordinary sales in excess of \$21 million, plus \$2,340,000 in group, were produced in honor of President M. R. Dodson. The \$21 million effort exceeded by 25% the assigned quotas for the month. Seventy agents and general agents individually produced \$100,000 or more of business and each received a personal phone call of congratulations and thanks from President Dodson.

MAINE FIDELITY LIFE—Life insurance in force at the end of the first 16 months of operation totaled \$5 million while A&S was equal to another \$3 million. In the first five months of 1957, life sales were \$4,802,540 while volume credit for A&S was \$3,770,000. The average size life policy to date is \$7,700.

BANKERS LIFE OF NEBRASKA—Field men marked up new records for the annual anniversary campaign in May, producing \$16,675,666 of business in May and the first three days of June. This figure surpassed by more than \$2.5 million the previous campaign record. Thirty-eight of the 45 agencies participating surpassed their agency objectives with agencies at San Francisco, Denver and Kansas City leading the way.

The Silberberger agency of Connecticut Mutual Life at Dallas has named Gaston Hamman as "Man of the Month" for May. His production amounted to \$62,500.

POLICIES

Midland Mutual to Pay Dividends on A&S Contracts

Midland Mutual Life will pay a dividend to A&S policyholders. It is the company's first A&S dividend and comes two years after the company's entry into the A&S field. Each type of Midland A&S contract will qualify for the dividend.

Great Southern Increases Interest for Advance Premiums

Great Southern Life has increased the compound discount rate for premiums paid in advance from 2 1/2% to 3%. Simultaneously the compound rate of discount for withdrawal of advanced premiums before the premium due date is increased from 3% to 3 1/2%.

Increase Female Non-Medical Limit
Bankers Life of Iowa has increased its non-medical limits for pregnant

women from \$5,000 to \$10,000 for ages 35 and under for permanent plans of insurance, or a combination of permanent insurance and term rider.

Mutual of N. Y. Raises Premium Discount to 3 1/2%

Mutual of New York now offers a discount at an interest rate of 3 1/2% compounded annually for advance payment of premiums coming due in the first 10 years from the date of prepayment. The rate formerly was 2 1/2%.

Lincoln National Hikes Limits on A&S Plans

Issue limits on monthly indemnity for most A&S plans have been increased by Lincoln National Life with some of the increases amounting to \$200 or \$300.

Principal sum issue limits on most A&S plans and monthly indemnity limits on the income disability benefits for life insurance also were increased. Three of Lincoln National's guaran-

teeed-premium, guaranteed-renewable plans for men in classes AAA and AA may now be written with monthly indemnity up to \$500 per month and with principal sum benefits up to \$35,000. Two other plans in this line may be written with monthly indemnity up to \$700 for 36 or 15 months. Monthly indemnity limits on the salary protector, two other A&S plans and two accident plans, formerly \$500, were increased to \$700. Issue limits on income disability riders, formerly \$300, were increased to \$500.

Join The March To N-A-A-I-C*



Top Commissions . . . Level A & H Renewals . . .

a Life and Accident & Health Plan for Every Prospect

More and more discriminating insurance men are learning that it's smart business—profitable business—to work with the North American Accident Insurance Company of Chicago.

Our agents are satisfied agents because in our 70 years of service to personal insurance underwriters, our commitments have always been rigidly adhered to...our relationships personal and friendly.

Unbeatable Agency Contract—(Ask any North American Agent what he thinks of his contract!).

No Branch Office to compete with you.

Strictly American Agency System.

Concrete Assistance to get you off on the right foot: hard-hitting sales aids, ad mats, promotional materials, etc.

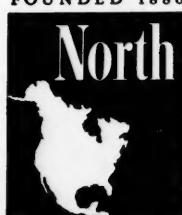
Extra Incentives to supplement your production achievements.

If you are interested in making money—not just today, but years from now—write

S. Robert Rauwolf, Vice President

* . . . the familiar abbreviation for the North American Accident Insurance Company of Chicago—one of America's oldest and strongest stock companies.

FOUNDED 1886



North American Accident Insurance Company

Licensed to operate in the 48 states and the District of Columbia

LIFE • ACCIDENT • HEALTH

209 SOUTH LASALLE STREET • CHICAGO 4, ILLINOIS

Harrison Heads Texas Department

AUSTIN—With dramatic effectiveness born of necessity, the new Texas board of insurance became a reality June 21, and immediately appointed William A. Harrison, first assistant state auditor for 10 years, as the new administrative commissioner of insurance.

The action came less than two hours after Penn J. Jackson, former district judge of Cleburne, was sworn in as chairman for a six-year term and joined Joe P. Gibbs of Seguin, hold-over member, who will fill a two-year term. The third appointed member of the new board, David B. Irons of Fort Worth, now on assignment with the Department of Justice in Washington, is expected to take office July 1 for four years.

Until last mid-week the general plan was to operate under an interim arrangement, but at that time Will Wilson, attorney-general, ruled in substance that the board could not function fully without the new commissioner. So, after some long distance negotiations with Gov. Daniel in Washington, it was decided to accept the resignations of Chairman Osorio and Commissioner Wentz, effective immediately, and to have Judge Jackson installed so as to set up a working quorum.

Commissioner Harrison, 47 years old, is well versed in problems of insurance regulation, having worked with the department in its extensive auditing duties. Early this year he worked with legislative committees investigating the failure of ICT and still earlier with the probe of U. S. Trust & Guaranty. Prior to serving in the auditing department he had worked for 10 years in the state treasury department and, after three years in the army, he had been a certified public accountant in San Antonio and Austin.

Mr. Harrison, whose appointment is until Sept. 1 "or such prior date as his successor has been appointed and qualified," must serve until Sept. 1 without pay, after which the appropriated salary will be \$20,000 a year. His tem-

porary appointment is regarded as giving him the "inside track" on the permanent post.

Chairman Jackson has announced that the board's next problem will be to set up rules of procedure under the new law, which places on the new commissioner the responsibility of administering, enforcing and carrying out the code's provisions. Mr. Jackson also said that the board's present employees will be retained, adding in part: "I favor going on as we are until we work things out."

Another major job is the relicensing of more than 55 Texas companies that failed to meet requirements by the May 31 deadline. Still awaiting approval of other action are the licenses of 26 legal reserve life companies and 25 to 30 burial associations and mutual assessment concerns.

Ky. Insurance Men Plan Statewide I-Day at Louisville in Oct.

Kentucky insurance men are planning a statewide insurance day to encompass all segments of the industry—life, A&S, fire and casualty, and stock, mutual and reciprocal insurers. The program, which has the approval of the Kentucky department, will be held in October at the state fair grounds at Louisville.

General chairman of the I-Day planning is Thomas I. Ball, local agent of Louisville. Other committee members include Hugh Schwab, Lincoln Bank & Trust Co., agency of Louisville; S. H. Goebel, Cardinal Life, former commissioner; Morton Boyd, president Commonwealth Life, and John T. Acree Jr., president Lincoln Income Life.

Atlanta Group Representatives Elect Thompson New President

Myron J. Thompson, division group manager of Liberty Mutual, has been elected president of Atlanta Group Representatives Club, an organization of home office group representatives of life and casualty companies. He succeeds B. G. Thayer, State Mutual.

E. Lord, Life of Georgia, was elected vice-president; Lyman Rogers, New England Life, secretary, and A. Betzel, Aetna Life, treasurer.



Holgar J. Johnson (center), president of Institute of Life Insurance, formally opened Bankers National Life's meditation chapel for employees of all religious faiths. Robert W. Shepard (left), chairman of the Home Office Employees' Assn., thanked company President Ralph R. Lounsbury (right), for providing the chapel, which is believed unique in business establishments. Mr. Lounsbury said he hoped the chapel may serve as a stimulus for other organizations to follow, "because most of the problems that confront us—whether in our business or in our private lives—can be solved with true faith in the Almighty. . . . The individual's worries and fears beset him just as much during the business day as during the leisure periods."

Mr. Lounsbury said that since the Korean War there has been an increasingly significant trend toward religion. The chapel, which is completely furnished, is in a quiet section of the home office building at Montclair, N. J., and contains symbols of the Catholic, Jewish and Protestant religions. It will be open throughout every working day for the employees' use. Representing the three major faiths were Rt. Rev. Monsignor Thomas H. Powers, Rabbi Jeshua Schnitzer, and Dr. Walter H. Upton, all of Montclair.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, June 25, 1957

	Bid	Asked
Aetna Life	197	202
Beneficial Standard	17 1/2	18 1/2
Cal-Western States	88	92
Colonial Life	137	143
Columbian National	80 1/2	83
Commonwealth Life	24 3/4	25 3/4
Connecticut General	294	299
Continental Assurance	122	125
Franklin Life	103	104 1/2
Great Southern Life	74	78
Guil Life	26 1/4	27
Jefferson Standard	88	90
Kansas City Life	1300	1340
Life & Casualty	19 3/4	20 3/4
Life Insurance Investors	15 1/2	16
Life of Virginia	105	108
Lincoln National	219	222
National L. & A.	95	97
North American, Ill.	19 1/2	20 1/2
N. W. National Life	82	85
Ohio State Life	273	Bid
Old Line Life	59	62
Republic Natl. Life	38	39 1/2
Southland Life	93	95
Southwestern Life	103	108
Travelers	80 1/4	81 1/4
United, Ill.	22 1/4	23 1/4
U. S. Life	33 1/2	34 1/2
West Coast Life	45 3/4	46 3/4
Wisconsin National	67	70

David Forbes Honored on His Retirement

LANSING—David A. Forbes, former Michigan commissioner and for many years as an agent here, was honored at a testimonial dinner last week on the occasion of his retirement from active business. Some 50 department executives, company officials and agents and friends were on hand.

John Carton, president of Wolverine and Federal Life & Casualty, was toastmaster and introduced Commissioner Joseph A. Navarre, Mr. Forbes' successor; Chief Justice John Dethmers of Michigan supreme court, and John Belknap, Mr. Forbes' long-time partner in the agency business.

Mr. Forbes told some of his plans for his retirement, explaining he intends to spend his summers at his cottage at White Lake near Muskegon and his winters at a home he intends to build at Sarasota.

Mr. Forbes is a past president of National Assn. of Insurance Commissioners and Michigan Assn. of Insurance Agents.



WALTER H. HUEHL, President ARNOLD BERG, C. L. U., Agency Vice-President

INDIANAPOLIS LIFE INSURANCE COMPANY

Mutual—Established 1905

INDIANAPOLIS 7, INDIANA

AGENCY OPPORTUNITIES in Fla., Ill., Ind., Iowa, Ky., Mich., Minn., Mo., N. D., Ohio, S. D., Texas, Wis.

Outstanding Sickness & Accident INCOME PROTECTION

Non-cancellable, guaranteed renewable to Age 65—at guaranteed premium rates, non-aggregate, no house confinement, optional hospital-surgical-medical benefits. Sickness benefits from one year to ten years—Accident from two years to lifetime. (Also participating life insurance and all types of group insurance!)

Expansion program provides openings for qualified General Agents in selected areas.



LOYAL PROTECTIVE LIFE INSURANCE COMPANY
BOSTON 15, MASSACHUSETTS

Rau Named to Helm of Oregon Agents' Assn.

Robert L. Rau, Standard of Oregon, Portland, was elected president of Oregon Life Underwriters Assn. at the association's two-day annual convention in Salem. Some 300 agents attended the meeting.

Regional vice-presidents elected were: Burton C. Selberg, Equitable Society, Portland, northwest; Oscar Specht, Occidental Life of California, Salem, mid-Willamette valley; Sam Haley, Pendleton, eastern; and William M. Caldwell, Occidental Life of California, Medford, southern. Clyde Pierce, Business Men's Assurance, Eugene, was named secretary-treasurer.

Speakers heard were: H. P. Gravengard, The National Underwriter Co.; H. P. Galerneaux, field training supervisor at San Francisco for Metropolitan Life; Leland T. Waggoner, western department vice-president of Mutual Life of New York; and Gordon Hockaday, Equitable Society, Spokane. Oregon Secretary of State Mark Hatfield was the banquet speaker, and Fred McMaster, Ohio National Life, Los Angeles, spoke at the luncheon.

Install Zimmerman as D. C. Assn. President

Vernon R. Zimmerman, manager of Acacia, has been installed as new president of District of Columbia Assn. of Life Underwriters. He succeeds Howard J. Riordan, general agent of John Hancock.

Thomas R. Buchanan, New York Life, and William R. Tooker, Berkside Life, were installed as 1st and 2nd vice-president, respectively, and Wayne E. Dorman, Penn Mutual, as secretary.

Milwaukee Agents Elect Engel President

Herbert L. Engel, North American L&C, has been elected president of Milwaukee Life Underwriters Assn. to succeed Harry A. Taylor, John Hancock. New vice-presidents are Dale A. Simpkins, New York Life, and Paul von Baumgartten, Mutual Benefit H&A, and Leonard E. Wolfe, Acacia Mutual, was named secretary and Adlor J. Shipway, Prudential, treasurer.

Tex. State Official Pays Tribute to Life Agent

A tribute to the life agent was paid by Zollie Steakley, Texas secretary of state and former counsel of Texas Assn. of Life Underwriters, at a meeting of the Austin agents' association.

Mr. Steakley said some people march in a parade with their heads up, but slump when they pass out of sight of the crowd and when the band no longer plays. However, the life agent, he said, marches with head up when the band stops playing as he tries to give service to fit the needs of people.

Madison Assn. Names King

Jack King, Bankers Life of Iowa, has been elected president of Madison (Wis.) Assn. of Life Underwriters, succeeding John A. Raymond, Connecticut Mutual Life. Other officers are: Paul D. Meyer, Franklin Life, vice-president; William Q. Murphy, Massachusetts Mutual, secretary; and Robert E. Mueller, Penn Mutual, treasurer.

N. C. Rejects Tax Cut for Domestic Life Insurers

RALEIGH—The proposal for reduction in the premium tax on domestic life companies was rejected by the North Carolina legislature, which has just adjourned. A house finance subcommittee wanted to cut the tax from

1 1/2% to 1 1/4% but the senate objected.

Legislation enacted—which is not subject to action by the governor—boosted the insurance commissioner's salary from \$10,000 to \$12,000; authorized the commissioner to extend for 30 days the time for insurers to file annual statements; permitted A&S companies to file a blanket bond for their agents; raised the fee charged by the commissioner for publication of a company financial statement from \$9 to \$12; required the words "insurance company," "insurance society," or "life," "casualty," or "indemnity" as part of the title of any domestic insurer; provided that religious, educational and charitable corporations, institutions, or religious bodies may have an insurable interest in employees or agents; prohibited tie-in sales of life insurance; increased from \$20,000 to \$40,000 the maximum group life coverage per person; changed the definition of employee life insurance to include policies issued on the life of more than one employee (previously it was not less than 10 nor more than 49); abolished the exemption of life policy proceeds from estate debt liability, and made the 1955 Blue bill on A&S cancellation notices applicable to any group policies covering fewer than 10 members.

Father, Sons Quality for 1957 MDRT



Edward J. Dore, general agent of Berkshire Life at Detroit, and his sons, Edward J. Jr. (left) and Thomas P. Dore, have qualified for the 1957 Million Dollar Round Table of National Assn. of Life Underwriters. This is believed to be the first time a father and two sons all have qualified in the same year. The senior Mr. Dore has qualified numerous times in the past.

It is the third year for Edward Jr. and the first for Thomas, who has just completed his first year in the business. The sons are with their father in the Dore agency.

Leonard V. Godine, since 1941 general agent of National Life of Vermont at Baltimore, and his son, Richard L. Godine, of the same agency, are another team of MDRT qualifiers. The fact that MDRT Chairman Howard D. Goldman and his son, Howard Jr., had both qualified was reported in the May 17 issue.

Now—

4-DIMENSIONAL

LIFE INSURANCE PREMIUMS



✓ The larger the amount of the policy, the smaller the premium per thousand

and

NEW A & S PLANS

Executive Disability Policy

Guaranteed-Renewable to age 65.

Guaranteed-Premiums.

Level accident and sickness benefits to age 65.

Select Hospital & Surgical Policy

Guaranteed-Renewable for life.

Premiums subject to change only by class. No reductions in benefits even after age 65.

These features are now available in most States.

The LINCOLN NATIONAL LIFE INSURANCE COMPANY

Fort Wayne, Indiana
Its Name Indicates Its Character

A New Kind of Organization Serving the Insurance Business...

Home Office
Administrative Detail
Is Our Specialty

We Will:

Process your applications
Issue your policies
Mail your premium notices
Audit and pay your bills
Do your premium and general accounting

Direct All Inquiries to

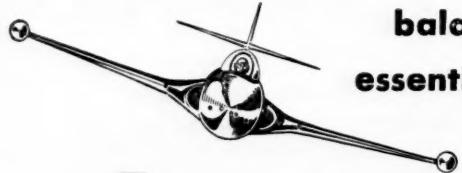
**Foundation Life Insurance
Service Company**

Box 321, Northside Station

Atlanta 5, Georgia

FIDELITY
A WELL-BALANCED COMPANY

balance...
essential to flight



In man's conquest of
the skies, balance is fundamental
to progress. Similarly
essential in life insurance is a
balance of tradition, product and
management. Fidelity is
a well-balanced company.

The
**FIDELITY MUTUAL
LIFE INSURANCE COMPANY**

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA, PENNSYLVANIA



FRATERNALS

Modern Woodmen Names McIlvain Chief Underwriter

Paul R. McIlvain has been appointed chief home office underwriter for Modern Woodmen, filling the post recently made vacant by the death of Theodore B. Numsen, who had held that position since 1939. Mr. McIlvain had served as assistant manager of underwriting at Modern Woodmen since 1955.

Lutheran Brotherhood Gives \$24,300 in Scholarships

Lutheran Brotherhood has granted scholarships totaling \$24,300 to students in 47 Lutheran colleges and seminaries. Later this year, the fraternal will give additional youth leadership awards totaling \$12,450 to high school students entering Lutheran colleges and also two scholarships of \$500 each to Lutheran graduate nurses. The \$37,750 in scholarships this year will bring to \$206,100 the amount of student aid which Lutheran Brotherhood made available since it started its scholarship program in 1950.

Modern Woodmen Holds Sales Conference at Denver

More than 100 top-ranking state district managers for Modern Woodmen recently concluded a three-day sales conference at the Cosmopolitan hotel, Denver. Speakers included H. L. Ruff, president.

THEODORE B. NUMSEN, 58, chief home office underwriter for Modern Woodmen, died suddenly at his home in Rock Island, Ill. He had suffered no previous illness and had returned from a Modern Woodmen sales meeting at Denver just two days before his death. Mr. Numsen had been with Modern Woodmen at the home office since 1920 and had been chief underwriter since 1939.

Occidental of Cal. Makes Awards to Group Men

Allen L. Creitz, Chicago regional group manager for Occidental Life of California, has won his company's top honors in the group field, receiving the grand quality award plaque for outstanding performance in 1956 in all phases of group sales and service. The winners of achievement award plaques for the company's southern and western divisions were regional managers Alvin G. Loop of Houston and Frank Stoltze of Los Angeles. Merit award certificates were presented to regional managers Maurice Machanich, Cleveland; William G. Hassell, Dallas, and Thomas R. Martin, Sacramento. The awards were made at Occidental's group seminar at Pasadena.

Society of Actuaries Sponsors Math Contest

Society of Actuaries and Mathematical Assn. of America are sponsoring an annual mathematical contest in high schools throughout the U. S. to help meet the need for mathematicians.

The student in each high school who received the highest grade in the contest examination will be given recognition and a medal for scholarship and proficiency. A bronze cup will go to the high school with the highest combined total of its three highest student grades in the contest.

Through the annual contest, the society hopes to encourage more students to take additional mathematics

courses, with the conviction that some of these youngsters will eventually enter the actuarial profession. This year's contest attracted 43,500 students in nearly 1,500 schools in the U. S. and Canada.

The Society's co-sponsorship of the contest grew out of its decision to expand its public relations activities. The society's public relations committee, whose chairman is Pearce Shepherd, vice-president and actuary of Prudential, has distributed a leaflet to each contestant which points out the advantages of mathematics training. To follow up, the public relations committee is preparing a second leaflet, to be sent to contest winners in each school, showing these promising math students what an actuarial career can mean to them.

Wherever possible the local actuarial clubs will arrange personal discussions about a career as an actuary with any interested participant.



... one of those versatile,
rugged individualists who is
frankly in this business for the
money?

Then we want YOU
... and, when you learn about our
astonishing new "4-Star Contract"...

You'll want US!
Write (strictly confidential) to
Evans M. Jacobson, Supt. of Agents

Mutual Savings Life

Opportunities in
Arkansas, Indiana,
Iowa, Kentucky,
Mississippi,
Missouri, Ohio.

**Mutual
Savings
Life**
St. Louis 12, Mo.

MANAGEMENT A CONSULTANTS

O'TOOLE ASSOCIATES
Management Consultants
To Insurance Companies
Established 1945
220-02 Hempstead Avenue
Queens Village 29, N. Y.

BOWLES, ANDREWS & TOWNE
ACTUARIES
Insurance Company
Management Consultants
RICHMOND ATLANTA NEW YORK

A Service Guide

Ralph B. Leonard & Company, Inc.
25 Broad Street New York 4, N.Y.
Telephone Digby 4-7485
"Broker-Dealers in Insurance Stock"
Life — Fire — Casualty

John H.
Charles
tor of gro
1950, has
of group s
Moriarty, n
group offic
sales and se
executive
named ma
group offic
cock at Bo
the home o
group sales
in 1945. Mi
derwriting
Gregg joine
fice as mana

Guaranteed
Ted J. S
A&S underv
ante Mutua
A&S under
31 years.

State Mutua
Allen D.
and secretar
State Mutual
of U.S. Cha
chairman of
mittee.

New York
Kenneth
vice-presiden
has been ele
York Life. B
Union Carbide
Shoe Co.

Paul H. Tr
ing have be
vice-presiden
ment. Mr. T
sales promoti
ment since
agency with
promotion of
New York Lif
in 1951. Mr. T
tiple sales in
since last Oct
for agency gr
trust, broker
also joined the
field assistant
pointed regio
1952 and ma
sales in 1954.

Allen M. Ba
and William
named directo
rector of adv
public inform
the public re
have been se
department. M
York Life in
in developme
tivities in rea
loan, as well a
gram and spe
Before joining
in the educati
lic relations fi
tising manager
was editor of
News and pub
employe relat
newspapers in
ester before jo
1946. Mr. Har
in 1953 to orga
Previously, he
with New Yo
American Wor
port, and was
Port of New Yo

Harry S. Da
perintendent of
sion in the pers

HOME OFFICE CHANGES

John Hancock

Charles B. Diman, assistant director of group sales and service since 1950, has been promoted to manager of group sales and service. **James W. Moriarty**, manager of the New York group office since 1954, has been named assistant director of group sales and service. **Paul H. Gregg**, sales executive since January, has been named manager of the New York group office. Mr. Diman joined Hancock at Boston in 1932 and entered the home office as a member of the group sales and service department in 1945. Mr. Moriarty joined the underwriting department in 1946. Mr. Gregg joined the Toronto group office as manager in 1947.

Guarantee Mutual Life

Ted J. Sanders has been named A&S underwriting manager for Guarantee Mutual Life. He has been in A&S underwriting management for 31 years.

State Mutual

Allen D. Marshall, vice-president and secretary of General Dynamics State Mutual. He also is a director of U.S. Chamber of Commerce and chairman of its economic security committee.

New York Life

Kenneth H. Hannan, executive vice-president of Union Carbide Corp., has been elected a director of New York Life. He also is a director of Union Carbide and American Brake Shoe Co.

Paul H. Troth Jr. and **Stewart Waring** have been appointed assistant vice-presidents in the agency department. Mr. Troth, director of group sales promotion in the group department since 1952, will transfer to agency with responsibility for sales promotion of all coverages. He joined New York Life as group field assistant in 1951. Mr. Waring, director of multiple sales in the agency department since last October, will be responsible for agency group sales, A&S, pension trust, brokerage and nyl-a-plan. He also joined the group department as a field assistant in 1951. He was appointed regional group manager in 1952 and manager of agency group sales in 1954.

Allen M. Bailey, **Francis L. Cooper** and **William R. Hart** have been named director of special projects, director of advertising, and director of public information, respectively, in the public relations department. All have been senior associates in the department. Mr. Bailey joined New York Life in 1949 and has assisted in development of public relations activities in real estate and mortgage loan, as well as the open house program and special events and exhibits. Before joining the company, he was in the educational and business public relations field. Mr. Cooper, advertising manager since 1956, previously was editor of the New York Life News and public relations advisor in employee relations. He worked on newspapers in Minneapolis and Rochester before joining the company in 1946. Mr. Hart joined the company in 1953 to organize the news bureau. Previously, he was in public relations with New York World's Fair, Pan American World Airways, Idlewild airport, and was information officer for Port of New York authority.

Harry S. Dale has been named superintendent of the employment division in the personnel department. Mr.

Dale, who has been employment supervisor, joined the company in 1914. After two years in the home office agency department, he became a member of the agency field force in New York City. From that time until 1939, he held the posts of cashier, agency organizer and agency director in several metropolitan offices. In 1948 he joined the staff of the personnel department as personnel assistant.

John F. Ryan has been designated vice-president and actuary under James T. Phillips, senior vice-president and chief actuary, in a realignment of personnel involving a number of title changes and the merging of the actuarial and insurance research departments into a new actuarial department. Other new title designations are: **Charles M. Sternhell**, 2nd vice-president and actuary; **James R. McDonnell**, **Charles S. Schnelle** and **Joseph C. Sibigroth**, actuaries; **Daniel Barry**, associate actuary; **H. Frank Homan Jr.**, assistant vice-president; **Albert E. del Vecchio**, executive assistant; **John A. Golden** and **Cornelius Hyatt Jr.**, administrative assistants; **J. Benham Phelps** and **Clinton A. Burch**, manager and assistant manager, respectively of the policy forms division. Mr. Ryan, who will have immediate responsibility for the enlarged actuarial department under Mr. Phillips, joined New York Life in 1929 and was appointed assistant vice-president in 1950, 2nd vice-president in 1954 and vice-president last October. Mr. Sternhell joined New York Life as an executive assistant in 1951 and was named assistant vice-president in 1954 and 2nd vice-president last October. Mr. McDonnell joined the company in 1925, becoming assistant actuary in 1949 and associate actuary in 1954. Mr. Schnelle joined New York Life in 1931, becoming assistant actuary in 1949 and associate actuary in 1954. Mr. Sibigroth joined the company in 1952 as an administrative assistant, becoming executive assistant in 1954 and assistant vice-president last October. Mr. Barry joined New York Life in 1939 and was appointed assistant actuary in 1954. Mr. Homan, who for several years has had responsibility for the actuarial department's policy forms division, has been executive assistant since 1955. He joined New York Life in 1931 and became administrative assistant in 1954. Mr. del Vecchio joined the actuarial department in 1929 and went to Mr. Phillips' office in 1949. He was appointed administrative assistant in 1951. Mr. Golden, with New York Life since 1927, was transferred from the actuarial department to Mr. Phillips' office in 1954 as office manager and personnel assistant. Mr. Hyatt joined New York Life in 1936 and was transferred in 1951 to Mr. Phillips' office where, since 1955, he has been correspondence supervisor and research assistant. Mr. Phelps joined the actuarial department in 1927 and has been supervisor in the policy forms division since 1955. Mr. Burch, also a supervisor in the policy forms division since 1955, joined New York Life in 1933.

There has been a 3-floor relocation of various divisions—representing the largest move since the company occupied its home office building in 1928. The relocated divisions have been moved to areas logically indicated by the change-over to the electronic data processing operations as well as the actuarial department's other operations. Now relocated on the fourth floor are the operations involving data processing, records maintenance, etc; on the fifth floor, policyholder services and general administration; and on the seventh floor, research.

Republic National

Republic National Life has reorganized its agency division due to the resignation of Robert P. Hale, who has been serving as vice-president and director of agencies. In the reshuffle, **Howard W. Channell** becomes assistant vice-president and director of branch offices, assisted by **Jack H. Hargis** and **J. Pete Robinson**, superintendents of agencies, and **Robert E. Capriilian**, agency secretary. **James W. Galloway** will be assistant vice-president and director of general agencies, assisted by **Donald C. Clark**, superintendent of general agencies. Mr. Channell and his assistants will supervise the develop-



H. W. Channell



J. W. Galloway



E. R. Nadalin



Allen Cureton

ment of the company's branch offices.

Edward R. Nadalin becomes assistant vice-president and director of brokerage. He and Mr. Galloway will have the assistance of Arthur T. Ellis as general agency and brokerage secretary.

Allen Cureton becomes assistant vice-president and director of A&S.

Bankers Life of Iowa

Earl F. Bucknell, vice-president of Bankers Life of Iowa, has been appointed to a one-year term on the board, effective July 1, to fill the vacancy created by the death of Watson H. Vanderploeg. Mr. Bucknell joined Bankers in 1930 and became vice-president and actuary in 1946.

GENERAL AGENT OPPORTUNITY

CAN YOU PROSPECT?

Do your prospects come directly from your own effort, ability and imagination and not from office leads, your supervisor, your manager?

Can you show others "how to"?

CAN YOU TELL A CONVINCING SALES STORY?

If you're doing well right now with what you've got, you'll do better with our proven competitive merchandising plans featuring dismemberment—lifetime income—top value income settlement option—and the premium payment plan of the future, Check-O-Matic.

Can you inspire and show others "how to"?

CAN YOU COMPETE?

Do you enjoy competing with others? More important, do you compete with yourself?

Can you instill this spirit in others?

DO YOU REALLY WANT TO EARN MORE MONEY?

Do you want to earn top present and future dollars for your own personal "know how" and for your ability to show others "how to"?

HERE'S YOUR ANSWER!

Highest lifetime service fee in the business to adequately compensate the career underwriter—fully vested renewals for 9 years—top 1st year commission on par and non-par policies—agency office allowance—non-contributory pension plan—operating capital for new agents.

Write, Wire, Phone
FREDERICK E. JONES, President
HOWARD W. KRAFT, Vice President
and Director of Agencies

THE OHIO STATE LIFE Insurance Company

COLUMBUS 15, OHIO

Licensed in: Arizona, California, Delaware, D.C., Illinois, Indiana, Iowa, Kentucky, Maryland, Michigan, Minnesota, Missouri, N. Carolina, Ohio, Pennsylvania, Texas, Virginia and West Virginia.

FIELD CHANGES

Occidental Life of California

John A. Allison, assistant manager at Pasadena, has been named branch manager for Occidental Life of California at Philadelphia. He succeeds

John H. Marvin, who will serve as general agent at Oreland, Pa. Previously Mr. Allison had been agency supervisor at Glendale, Cal. Prior to joining Occidental in 1954, he had been with Mutual Life.

American Mutual Life

Two new general agencies have been opened by American Mutual Life. Lelton Hedges, Lawrence, Kan., was appointed general agent for



John A. Allison

northeastern Kansas, and Guy Brubaker was selected for the Hastings, Neb. territory. Both Mr. Hedges and Mr. Brubaker have long experience in the life business.

Washington National

Lee D. Logan has been appointed general agent at Appleton, Wis., for Washington National with offices at 1018 Irving Zuelke building. Mr. Logan entered the life business in 1948 and since that time has had sales, home office and field managerial experience.



Lee D. Logan

William J. Boone has been appointed general agent at Roanoke, Va., and vicinity for Washington National with offices at 722 Shenandoah building, Roanoke. He had more than eight years of selling and supervisory experience in insurance at Richmond and Roanoke.

William J. Boone

Atlantic Life

Ben F. Davis and James R. Davis have been appointed general agents of Atlantic Life at Raleigh, N. C., and Charleston, W. Va., respectively.

Newly appointed general agents are Bernard H. Berger in Philadelphia, Gerald L. Goodman in Winchester, Va., Eugene M. Blackman in Jacksonville and Archie E. Vivian in Tampa.

Aetna Life

Edward E. Smith has been promoted to assistant general agent of the Berg agency at San Diego. He joined Aetna Life at San Diego in 1954 and advanced to supervisor.

H. Gene Pruner has been named general agent at Peoria, to succeed Lambert O. Pursell, general agent since 1952, who has accepted a management position at the Philadelphia agency. Mr. Pruner joined Aetna Life in 1953 at Indianapolis where he served as supervisor and assistant general agent.

James P. Graham Jr., general agent at Baltimore for 20 years, will retire June 30. He will continue with the agency as general agent emeritus. Harry I. Warren, a partner since 1955, will become head of the Aetna Life general agency. Mr. Graham entered the business 50 years ago and joined Aetna in 1923. He was general agent at Brooklyn, New York City and Springfield, Mass., before going to Baltimore. Mr. Warren began his life insurance career in 1935 and held several agency management posts before becoming general agent two years ago.

Franklin Life

James B. Wallace has been appointed general agent for Franklin Life at Muskogee, Okla. He has been in the life business in eastern Oklahoma for the past five years and for the past three years has been a top producer for Business Men's Assurance.

James B. Wallace

Travelers

Louis E. Hubbard, field supervisor at Richmond, has been promoted to assistant manager at Roanoke.

Field supervisors appointed are George E. Wesbey Jr. at Chicago, Donald Haga, Minneapolis, Donald A. Hess, Rochester, Douglas R. Learoyd, Vancouver, David J. Weaver Jr., Houston, Franklin M. Miller, Des Moines, and Robert F. Lindholm, Richmond. Ray Wharton, who has been at South Bend, has been appointed field supervisor at Kansas City.

Marshall N. Wood, agency service representative at Springfield, Mass., has been appointed field supervisor.

Named agency service representatives are James L. Combellick at Sioux City, R. Paul Simonson, Minneapolis, J. Allen Morris Jr., Charlotte, and John J. McLean, Grand Rapids.

New England Life

Glenn E. Tiffany, assistant director of agencies at the home office, has been named co-general agent in Atlanta with Linwood Butterworth, general agent since 1927. George M. Shore has been named general agent in Des Moines, succeeding Rodney Bliss Jr., who has resigned to accept a position with another company. Mr. Tiffany was New England Life's rookie of the year in 1953, having paid for more than \$1 million in his first year in the business. Mr. Shore, a CLU, has been sales director at the Buda agency in Detroit since it was founded in 1956.

John Hancock

A district office has been opened in Norfolk, with Melvin R. Van Voorhis

as district manager. He has been assistant district manager at Miami since 1955. He joined Hancock at Canton, O., in 1949 and became assistant district manager at Fort Wayne.

New York Life

William M. Siegel, agency assistant in the southeastern Wisconsin branch of New York Life at Milwaukee, has been appointed assistant manager of the agency.

Guardian Life



James H. Powell

James H. Powell has been named manager in Louisville for Guardian Life. He entered the business with New York Life at Louisville in 1953 and has been agency instructor for 2½ years.

Midland Mutual Life

James B. Price Jr., has been appointed general agent for Midland Mutual Life at Washington, D. C. His territory will include the District of Columbia, eight counties in Maryland and 11 Virginia counties. In insurance for several years, Mr. Price was formerly an agent and general agent for Lafayette Life.

Form New Organization for Insurance Editors

A new organization of insurance editors has been formed from among 600 editors of insurance company-owned magazines and newspapers in the U.S. and Canada. Organized by a group of editors present at the Boston convention of International Council of Industrial Editors in June, the new group has been named The Insurance Editors Institute.

Joseph Reisner, editor of Federal Life & Casualty's *Federal Record*, is chairman of the institute, which has a two-fold purpose. First, it will serve as a clearing house for the exchange of information and ideas between member-editors. Secondly, it will disseminate insurance industry information to more than 2,000 publications that make up the membership of International Council of Industrial Editors. The Institute is inviting every insurance industry editor who is a member of ICIE to enroll in the new organization.

The Institute is inviting every insurance industry editor who is a member of ICIE to enroll in the new organization. The Institute, which encompasses life, A&S, and fire & casualty companies, does not plan on establishing a membership fee or dues structure for the first year of its existence.

Cleveland GAs Elect Weber

Cleveland Life Managers & General Agents Assn. has elected E. Clare Weber, New England Life, president to succeed Lloyd Feder, Lincoln National Life. Henry Dymond, Equitable Society, was chosen vice-president.

Articles in CLU Journal Vary

The summer issue of *CLU Journal*, quarterly publication of American Society, contains articles on investment clubs, inflation control, potential tax-traps in pre-1954 agreements, common disaster problems, family and business financial planning, and modern executive development. J. Harry Wood, professor of finance at University of Miami, recently marked his fifth anniversary as editor.

Occidental Life of California has been licensed in the province of New Brunswick.



\$53 MILLION IN NEW BUSINESS

New and greater benefits to policy owners from liberal Guarantee policies and a dynamic field force account for the record 53 million dollars worth of new life insurance sold in 1956. It's been a big year in Accident and Sickness coverages, too, with a 36 per cent increase over 1955.

STRENGTH AND STABILITY

The financial strength—ratio of assets to liabilities—of the Guarantee places it among the leaders in stability in the mutual life insurance field.

OPPORTUNITIES FOR AGENCY BUILDING

Agency opportunities available in many states. Write or visit J. D. Anderson, Agency Vice-President, 1805 Douglas, Omaha.



FUTURE HOME OFFICE
BUILDING



R. E. Kiplinger
President

LIFE • ACCIDENT • SICKNESS • HOSPITALIZATION

Write
H. S. HAGAN
President

VARIABLE ANNUITY TRIAL

SEC Argues Companies Are Mutual Funds

(CONTINUED FROM PAGE 2)

surance policy, it conforms precisely to the definition of security in the statute and meets all of the tests prescribed by the courts. The evidence adduced at the trial will show that the chief inducement to the investors was the promise of profit resulting from the investment acumen of management, most of the money paid is to be used to purchase an interest in what is basically an investment in common stocks, the management represented that what was being sold was contract which falls within the definition of a security, the basic elements of the contract are substantially the same as contracts which are commonly known as securities, and any insurance feature that may be present in the contract is merely incidental to the security features of the contract. Judged from any of these points of view, therefore, the contracts being sold by defendant fall within the definition of a security."

Describing Variable Annuity Life's method of operation, the SEC memorandum says: "The method employed is rather complicated and the terminology used in the contract is deliberately patterned after language of insurance policies." It goes on to say that the accumulation unit is merely another name for what might properly be called an interest in an open-end investment company, and these fall within the definition of a security in section 2 (1) of the securities act as "certificate of interest or participation in any profit-sharing agreement," and "investment contract," and "any interest or instrument commonly known as a 'security'" the memorandum argues.

The SEC memorandum notes a difference between the variable annuity units and the accumulation units in that the contract holder does not have the right, once annuity payments have begun, to withdraw all the funds he has accumulated, his only right being to receive the value of the annuity units into which his accumulation units have been converted in accordance with the contract.

The memorandum takes issue with the argument that either the life contingency guarantees or the presence of a small amount of term insurance qualifies the variable annuity for insurance contract status. After quoting a number of definitions of insurance, the memorandum comments:

"It is clear that insurance must in-

clude a distribution to or assumption by one or more persons of a risk to which the insured is subject. In the process of shifting or distributing this risk the insurer must contract a sum certain to the insured which will compensate him for the loss he suffered.

"If effect is to be given to the words of the statute and to the congressional intent, these elements must be present in every insurance policy and they must establish and pervade the economic character of the whole undertaking set forth in the policy . . . By way of illustration, it is clear that a mortgage placed upon a house with an insurance company, which also agrees to forgive the unpaid balance in the event of death, does not derive its fundamental economic character from any insurance elements which are present.

"Similarly, the common practice of selling investment company shares on an installment plan along with an insurance feature to complete the program in the event of death, does not convert the economic character of the transaction from that of a sale of securities to that of a sale of an insurance policy.

"The fact that the undertakings are contained in a single instrument which may be called a 'policy' does not determine the character of that instrument. Rather, it is the relative importance of the various features of the contract upon which the economic and legal character of the transaction depends."

Farther along in the memorandum the SEC states: "The contracts sold by defendants, we will show, do not meet any of the tests described for insurance policies. Instead of providing for a distribution or shifting of the risk, almost the entire risk is borne by the contract holder. Some insurance may be sold as incidental to the contract. Basically, however, the major risks of loss in the contract are those connected with the volatile nature of the securities market. If they decline, the insured will suffer a loss of investment and a loss of income. The defendants assume no risk."

Finally, the SEC argues that forcing a variable annuity company to submit to SEC jurisdiction will not contravene the McCarran act which reserves to the states the regulation of insurance and bars the federal gov-

ernment from regulating insurance except to the extent that it is not regulated by state law. The SEC contends that the securities act of 1933 contemplates dual state and federal regulation over the issuance of securities and that "there is a history of successful and beneficial cooperation with the state agencies administering state legislation concerning the same companies and problems." As for imposing investment company status on a variable life company, the SEC argues that the investment company act of 1940 requires that an investment

company may register by filing with the SEC a simple "notification of registration" and within three months thereafter file a "registration statement." These are the provisions of the act with which the commission seeks compliance, it says adding: "Clearly such registration under the investment company act like registration under the securities act cannot be said to 'invalidate impair or supersede' the application to the defendants of the District of Columbia insurance laws. Thus, no problem arises under the McCarran act."

General
Agency
Openings in
FLORIDA
COLORADO
ILLINOIS
INDIANA

OUR expansion program offers an
Unusual Opportunity to represent a
strong mid-west Company writing a
complete line of Life, Accident, Health
and Hospitalization.

Outstanding Juvenile Contract
Write in confidence to
WM. J. ALEXANDER, President

GLOBE LIFE INSURANCE COMPANY

159 N. DEARBORN STREET

CHICAGO 1, ILLINOIS

ACTUARIES

A

CALIFORNIA

COATES, HERFURTH & ENGLAND

Consulting Actuaries

San Francisco Denver Los Angeles

Haight, Davis & Haight, Inc.

Consulting Actuaries

ARTHUR M. HAIGHT, President
Indianapolis - Omaha

IND. & NEB.

RINTYE, STRIBLING & ASSOCIATES

Consulting Actuaries—Insurance Accountants
Pension ConsultantsWilliam-Oliver Bldg. Atlanta
JACKSON 3-7771

MISSOURI

NELSON and WARREN

Consulting Actuaries
Pension Consultants

ST. LOUIS KANSAS CITY

GA. VA.-N.Y.

BOWLES, ANDREWS & TOWNE ACTUARIES

Insurance Company
Management Consultants

RICHMOND ATLANTA NEW YORK

Consulting Actuaries
Auditors and Accountants

Wolfe, Coreoran & Linder

116 John Street, New York, N. Y.

NEW YORK

Consulting Actuaries
Auditors and Accountants

Wolfe, Coreoran & Linder

116 John Street, New York, N. Y.

ILLINOIS

CARL A. TIFFANY & CO. CONSULTING ACTUARIES

211 West Wacker Drive
CHICAGO 6
Telephone CEntral 6-1288

Harry S. Tressel & Associates

Consulting Actuaries
10 S. LaSalle St., Chicago 3, Illinois
Harry S. Tressel, M.A.I.A. Irma Kramer
M. Wolfman, F.S.A. Wm. P. Kelly
N. A. Moscovitch, F.S.A. D. W. Sneed
A. E. Selwood Franklin 2-4020

PENNSYLVANIA

Lenard E. Goodfarb, F.S.A.
Consulting Actuary

Market Street National Bank Building
Philadelphia 3, Pa. Rittenhouse 6-7014

WASHINGTON & CALIFORNIA

Milliman & Robertson

Consulting Actuaries

914 Second Ave. 400 Montgomery St.
Seattle 4, Wash. San Francisco 4, Calif.

STEP AHEAD WITH MIDLAND!

Earn your fortune with one of America's fastest growing Life and A & S Insurance Companies. We're big enough to meet competition and small enough to give you the personal attention all good underwriters need. Grow with us!

Midland National
LIFE INSURANCE COMPANY
HOME OFFICES Watertown, South Dakota

Write
H. S. HAGAN
President

VARIABLE ANNUITY TRIAL

Contingency Aspect Confers Insurer Status

(CONTINUED FROM PAGE 2)

language of federal securities regulation on the insurance operations of VALIC, carried on in harmony with District law and under district insurance supervision, would not be regulation: It would be destruction. However welcome such destruction might be to VALIC's attackers, including National Assn. of Securities Dealers, Congress clearly envisaged no such distortion of its general statutes. The McCarran act was its response to this situation . . . It has been recently pointed out by the Supreme Court that Congress' power in the area of commerce among the states is plenary, that its judgments must be respected and that 'Congress is free to change the situation at will.'

The brief also states, under this point, that "Congress expressly dis-

claims all federal regulatory jurisdiction over the insurance industry, with the exception of certain enumerated statutes not here involved, unless a federal act 'specifically relates to the business of insurance.'

2. "VALIC and EALIC are not engaged in the sale of 'securities' required to be registered with SEC under the securities act of 1933." The brief cites several cases to show that the essence of an "investment contract" or "certificate of interest" within the contemplation of the securities act, involves the laying out or investment of money with the expectation, and for the purpose, of realizing a profit.

"Does inclusion of common stock in a mutual life insurance company's investments, where policyholders share through policy dividends, make all its

policies 'securities'?" the brief asks. "If so, have not mutual companies for years been subject to the unexercised jurisdiction of the SEC? Reject this position, however, and where does the SEC set its jurisdictional boundary? Does it rest on a statistical analysis of each company's investment portfolio? Or a legal analysis of each type of policy? Does it reach some policies but not all?"

"Does the SEC jurisdiction reach some benefits, but not others, under a single policy? For example, a common settlement option under life insurance contracts allows the beneficiary to leave the proceeds with the company at a very low minimum rate of interest plus an additional amount as justified by the company's investment earnings. Over the years there have been wide variations in such payments. Is a policy with such an option a 'security'?"

The brief contends there is no support for any theory that statutes liberalizing the permissible investment media of insurance assets could be regarded as opening the way for SEC to assume regulation of insurance companies, "nor can any congressional history be found to indicate a legislative intent to grant the SEC regulation of insurance companies. If such is to be the result, at what point in the broadened authorization of investment does the jurisdiction attach? Is it when 1%, or 5%, or 10% or some other percent of the company's assets are invested, under state supervision, in stocks? Who can say?"

Developing this argument further, the defendants' brief says:

"How can it be seriously contested that when the payments are stated to be fixed but in actuality may vary due to dividend participation, such policy is not a 'security' but that where payments are stated to be variable in amount *ab initio* such a policy is a 'security'? Whether the promised payments vary or remain constant, identical considerations entered into the formation of the agreement between the annuitant and the insurance company. The amount of premium and of payments which the insurance company undertakes to make are 'based upon the experience furnished by authentic mortality tables used by insurance companies.' (Bates vs Equitable Society 206 Minn. 482,288 N.W. 834.)

"Likewise, no case has come to the attention of these defendants which distinguishes between 'insurance' and 'not insurance' on the basis of the fact that the issuing company did or did not invest in common stocks. All the assets of an insurance company could be invested, for example, in bonds and it could still issue variable annuities. The variations would be minor. But if, as SEC claims, we are to disregard the insurance functions inherent in annuity policies, and look only to the basic investments, there is no defensible basis for contending that the variable annuity of VALIC is a 'security' but the fixed-dollar annuity of any participating or mutual life insurance company is not."

"That a particular annuity may be deferred or that the annuity policy may have a refund feature or any other feature adopted by insurance companies to meet the needs of the insured, does not alter the nature of the agreement. These features are all adapted to the underlying annuity agreement on the basis of actuarial computation based on mortality exper-

ience. The development of the variable annuity is but another step by insurance companies to meet the needs of the insured."

Common sense rebuts the argument that variable annuity policies are not annuities, according to the defendants' brief. It argues that SEC's contention puts a premium on subterfuge by which an insurer might promise a very nominal guaranteed benefit and pay the bulk of the annuity income as a dividend, and thus get around the SEC definition of variable annuity. Such a benefit level might be calculated by actuarial means based on the assumptions, for example, that annuitants on the average would live to be 110 years old and that the company would earn one-half of 1% on the investment of its assets.

• • •

"Technically this policy would satisfy the apparent yen of SEC for a fixed-dollar amount, but in actual operation a participating feature would make it a variable annuity," the defendants' brief points out. "Issued by a company whose assets were substantially invested in common stocks, the hypothetical policy could not be differentiated pragmatically from the annuity policies of VALIC and EALIC.

"The only difference would be semantic: That for which VALIC and EALIC policies clearly provide would be accomplished by the hypothetical policy through subterfuge. Such a contract as assumed could be issued, however, only with the approval of the state insurance authorities. It is thus the regulation by the insurance superintendents which affords the public supervision that creates and maintains the public confidence in the industry."

4. VALIC and EALIC are not "investment companies" subject to registration under the investment company act of 1940. The defendants argue that a company is not an "investment company" under the 1940 act unless it (1) "engages primarily in investing, reinvesting or trading in securities" and (2) "is not primarily engaged in another business."

• • •

The brief cites a statement by SEC in an exhaustive study it made before 1940: "Although banks and trust companies and insurance companies and similar organizations own securities of other organizations, they were not included in the study because their main and primary business is banking and insurance respectively and not ownership of securities."

The brief then says: "VALIC and EALIC are primarily engaged in the issuance of life annuities on a guaranteed mortality basis, life insurance, and in VALIC's case also disability coverage. The defendants invest their assets, of course, and hence will own securities. These investments, like those of all other insurance companies, are merely an incident to their primary business. These activities do not make defendants 'investment companies' any more than similar activities constitute a bank an 'investment company' although the bank invests funds placed with it by depositors."

The brief goes into considerable detail to prove that the writing of annuity policies is an integral part of the "business activity" of "writing of insurance" as meant by section 2(a) (17) of a 1940 investment company act. It concludes that "thus the writing of annuities has long been and is now the appropriate function of life insurance companies and a company

engaged in business is."

5. VALIC

"fund" co

company"

brief says

part of SE

mistaken

from refer

Life's poli

icyholders

mutation re

of its later

ular langua

points out

mon to the

"Since V

sense of the

'securities'

'fund,' the

SEC theory

are a 'fund

units' are

against the

vestment se

number of '

sued to VA

vestment se

plete this

complete tha

6. VALIC

positors," t

for investm

a board of

act. "In its

ies to supp

its jurisdic

ently press

the idea

vestment se

ties) with a

'accumulati

such 'units'

'writer,' and

'positor' and

section 7 (b)

defendants' bri

The brief

clues: "The

reserve is s

or semi-fixe

that VALIC

serve in its

or 'underwri

and unsound

SEC should

advice."

Holz Hits

at FTC A

(CONTINUED)

quality of Ne

has never be

dispute—a su

ceives accolad

nation.

"This adm

first stage of

will not in an

uous serious a

en by my off

urance activi

ment of the f

of companies

in the ambit

ditional limi

American ab

ship.

"It would

WANT ADS

Rates—\$28 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

ADMINISTRATIVE ASSISTANT
ORDINARY LIFE
HOME OFFICE

THE POSITION calls for the ability to handle intelligently underwriting, policy issue and administration of new business. THE INDIVIDUAL who fills this position should be young in ideas, health and spirit, with at least 5 years of experience in life insurance.

THE COMPANY is a leader in the group life, accident and health field with rapid growth in the ordinary life field. Excellent financial statement. Operates nationally. Home office in Chicago.

THE SALARY will be entirely commensurate with ability and experience.

THE POTENTIAL is found in the stability of executive personnel within the company, and the recorded growth of the company.

WRITE IN CONFIDENCE and include résumé of personal and business background. Our employees know of this advertisement.

ADDRESS BOX V-27, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

A & H HOSPITALIZATION
CLAIMS DIRECTOR

Young aggressive Southwestern Company is now accepting applications for position of Claims Director.

Applicant must be male, under 45, and presently employed. Experience in A&H and Hospitalization claims important and college degree beneficial. Must be capable of accepting responsibility and must be an effective manager. Ability to deal with people and to express himself in correspondence necessary.

Salary is commensurate with education, and experience.

In your first letter, applicants will be expected to give complete and full details about themselves. Please avoid brief letters and please include a photograph of yourself. Be certain you give adequate information for evaluating yourself. Write to: Box V-19, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CONTRACT WRITER

Man or woman experienced in drafting group pension contracts will find congenial atmosphere, good prospects for advancement with New England company prominent in pension field. Reply Box V-25, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARY

Under thirty-five years of age for well established firm located in Pennsylvania specializing in Pension and Profit Sharing Plans. Membership in Society not essential. Replies strictly confidential and our associates know of this advertisement. Apply Box U-63, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Our company is located in the Midwest with less than \$200 Million of Insurance in Force. We need Man for Public Relations and Sales Promotion. The position can be as good as it is made. Apply Box V-16, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Assistant Manager of General Agency to assist in expansion program in well established General Agency in Springfield, Ohio. Salary-Commission open. Opportunity to purchase stock after proven ability. Write Box V-20, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

EXECUTIVE OPPORTUNITY
IN GROUP PENSION
ADMINISTRATION

A large eastern company with fast growing group pension department has unusual opportunity for experienced man to head up administration section. Our personnel has been informed of this ad. Reply Box V-23, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

engaged p

business is

5. VALIC

"fund" co

brief says

part of SE

mistaken

from refer

Life's poli

icyholders

mutation re

of its later

ular langua

points out

mon to the

"Since V

sense of the

'securities'

'fund,' the

SEC theory

are a 'fund

units' are

against the

vestment se

number of '

sued to VA

vestment se

complete this

complete tha

6. VALIC

positors," t

for investm

a board of

act. "In its

ies to supp

its jurisdic

ently press

the idea

vestment se

ties) with a

'accumulati

such 'units'

'writer,' and

'positor' and

section 7 (b)

defendants' bri

The brief

clues: "The

reserve is s

or semi-fixe

that VALIC

serve in its

or 'underwri

and unsound

SEC should

advice."

variable
insur-
eeds of
gumen-
are not
dants
attention
age by
a very
and pay
one as a
the SEC
Such a
ited by
ssump-
be 110
would
estment

5. VALIC and EALIC have no "fund" constituting an "investment company" under the 1940 act. The brief says that apparently the relevant part of SEC complaint grew out of a mistaken conception by SEC arising from reference in Variable Annuity Life's policies to "variable annuity policyholders *reserve fund*" and to "accumulation *reserve fund*." However, none of its later policies nor any of Equitable Annuity Life's contain this particular language. In any event, the brief points out that "fund" is a term common to the insurance world.

"Since VALIC has no 'fund' in the sense of that term in the 1940 act, no 'securities' could be issued by such 'fund,' the brief points out. But, the SEC theory seems to be that VALIC has a 'fund,' and that 'accumulation units' are 'issued' by such 'fund' against the deposit by VALIC of 'investment securities,' that is, a definite number of 'accumulation units' are issued to VALIC in exchange for investment securities having an identical dollars value. The contrast between this theory and the facts is so complete that it falls from mere statement."

6. VALIC and EALIC are not "depositors," "trustees" or "underwriters" for investment companies not having a board of directors within the 1940 act. "In its struggle to contrive theories to support its effort to extend its jurisdiction to VALIC, SEC apparently presses as a further alternative the idea that VALIC deposits investment securities (portfolio securities) with a 'fund' in exchange for 'accumulation units,' that VALIC sells such 'units' to the public as 'underwriter,' and therefore VALIC is a 'depositor' and an 'underwriter' under section 7 (b) of the 1940 act," the defendants' brief states.

The brief contains a lengthy refutation of this charge and then concludes: "The argument that a liability reserve is synonymous with a fixed or semi-fixed investment trust, and that VALIC in recognizing such reserve in its statements is a 'depositor' or 'underwriter,' is patently contrived and unsound. . . . The complaint of the SEC should be dismissed with prejudice."

Holz Hits Back at FTC Attack

(CONTINUED FROM PAGE 1)

quality of New York State supervisor has never before been the subject of dispute—a supervision which now receives accolades from all parts of this nation.

"This administrative ruling in the first stage of administrative procedure will not in any way affect the continuous serious and careful scrutiny given by my office to every phase of insurance activity—including the assessment of the fairness and truthfulness of companies' advertisements, all within the ambit of proper and constitutional limits, having due regard to the American abhorrence to pre-censorship.

"It would not be consistent with my determination not to engage in an extra-jurisdictional dispute to point up at this time the variance of the testimony on this subject given by members of my staff, with the conclusions arrived at by the examiner. Final determination of that difference will properly be left to the appropriate tribunal.

"The examiner's conclusion herein

Cal. Assn. Names Velthouse President

(CONTINUED FROM PAGE 1)

district is H. F. Wild, Equitable Society, Sacramento.

Twenty-one of the 25 local California associations were represented at the convention, including two new ones formally admitted by vote of the delegates, these two being the Imperial Valley and Merced associations.

Committee reports occupied most of the time of the first day's sessions of the two-day convention and sales congress. Intermission during the first day was given over to the regular monthly meeting of the Pasadena-San Gabriel Valley-Pomona association at which time Lester O. Schriver, managing director of NALU, spoke.

One of the features of this monthly meeting was the installation of the new officers for the Pasadena-San Gabriel Valley association and also for the Pomona branch. Officers of Pasadena-San Gabriel association are Edward K. Water, New England Life, president; L. W. Van Doren, State Farm Companies, vice-president; Harold E. Reinholtz, Mutual Life of New York, 2nd vice-president, and T. C. Walker, Western Life, secretary-treasurer. The Pomona branch elected Jarrell W. Gunstream, New York Life, president; Dave Cathers, Massachusetts Mutual, 1st vice-president; George W. Holt, Equitable Society, 2nd vice-president; O. G. Brickbauer, State Farm Companies, secretary, and J. B. Jennings, New York Life, treasurer.

Committees heard from at the annual meeting included the A&S committee, public education and public relations committee, caravans committee, committee on relations between agents and attorneys, national quality awards committee, and training school committee.

The national quality awards committee reported that 1,132 California agents received quality award plaques this year. The number in each of the local associations receiving awards were as follows: Central California, 42; Central Valley, 10; Glendale-Burbank, 12; Kern county, 17; Long Beach, 34; Los Angeles, 286; Monterey Bay, 14; Northern California, 10; Oakland-East Bay, 109; Orange Belt, 23; Orange County, 31; Pasadena-San Gabriel Valley, 77; Peninsula, 39; Sacramento, 52; San Diego, 65; San Fernando Valley, 27; San Francisco, 145; San Jose, 48; Santa Barbara-Ventura, 22; San Monica Bay, 26; Salano-Napa Counties, 6;

was apparently reached without serious reference to whether the Federal Trade Commission even has basic jurisdiction to make a decision herein—a matter already having had the attention of several circuits in the federal court of appeals and determined adversely to the commission's assumption of jurisdiction. That the examiners continue to allocate to the commission unilaterally such right will not here be reason for further comment.

"I shall withhold all further statement in this case until its final determination."

Madison CLUs Pick Lund

William R. Lund, Occidental Life, was elected president of Madison CLU chapter, succeeding L. J. Meinhardt, Northwestern Mutual. Alvin H. Babler, Massachusetts Mutual, was named vice-president, and Harold C. Myhre, Northwestern Mutual, secretary-treasurer.

Stockton, 26, and Tulare-Kings county, 11.

Jack White, Prudential, Los Angeles, trustee of NALU, in his short report on affairs, put great stress on the necessity for larger California representation at the NALU convention. He said California was not in the place it should occupy as to membership in NALU.

President-elect E. G. Velthouse, as chairman of the membership committee, urged that every life agent be a member of the association, pointing out that California membership is 500 below that of New York.

A panel headed by Donald C. Burns, executive secretary of the California association, made a lengthy report on the legislative situation during the recent session of the California legislature, its main feature being the difficulty in securing action on measures of interest to the industry.

Principal speakers at the sales congress portion of the meeting were Pe-

ter Thompson, Equitable Society, Los Angeles, and Tyler MacDonald, vice-president of Hixson & Jorgensen advertising agency of Los Angeles.

Mr. Thompson's topic was "Budgetary Control of Domestic Finances." He said that one-third of the marital troubles that find their way to the courts are due to the lack of management control of family budgets. He set forth a formula for life insurance men to use in connection with family budgeting, including a 50-day budgeting program as a means for convincing a family to get out of debt. He also declared that families should be told the good and the bad about group insurance and should be given the facts about the family policies.

The Orange County association extended an invitation that the December, 1957, meeting be held there, and San Jose put in a bid for the June meeting of 1958.

A reception and banquet in the evening of the second day closed the convention. The new state officers were installed at this affair and the speaker was Stary Gange, vice-president of Pacific Olive Co. Occidental Life of California was host for this event.

SUPER SELECT LIFE TO 65

(PARTICIPATING AND NON-PARTICIPATING)

\$10,000 MINIMUM

Designed to provide an answer to many of the problems encountered by underwriters today when their case is below JUMBO limits.

FEATURES:

- (1) Second Year Cash Surrender Value
- (2) Low net cost
- (3) 4% interest on dividend accumulations
- (4) Guaranteed interest on policy loans of 5%
- (5) Full regular commissions payable to brokers.

Brokers and surplus writers faced with a specific problem may obtain details on this plan by writing directly to our Home office, or by telephone to our nearest Branch Office.

Confederation Life
ASSOCIATION

HOME OFFICE

TORONTO, CANADA

Central Ariz. Assn. Hits Group Sales by 'Captive' Agents

The following letter from Allyn Watkins of New York Life, president of Central Arizona Assn. of Life Underwriters, gives the background of events that preceded the association's recent adoption of a resolution condemning the sale of life insurance through captive agencies. Text of the resolution follows Mr. Watkins' letter.

We have had quite a time recently with a rash of writing group and of solicitation of a group on a no-agent's-commission basis among the automobile dealers here in Arizona. The "gimmick" has been this. The automobile dealer's clerk or "insurance man," who is licensed to sign the fire and casualty policies in connection with the automobile sales contracts, is made a "broker" and the commission is paid, or recommended to be paid to him, thus excluding the payment of any commission outside of the dealer's firm or the dealer's insurance agency.

During May we had three special meetings of our board of directors, as well as a meeting with some of the general agents and managers and their group men. The attached resolution, that was adopted by our full membership, is the result.

We of the Central Arizona association feel that this is a start in the right direction and this move by us has already resulted in the reported formation of a committee and/or association of the home office group representatives working here in Arizona. The reported purpose of this committee or association of company group men is to adopt a set of rules or regulations that would put a stop to the abuses mentioned above.

We do not feel that a little General Motors, Ford or AT&T deal right here

in our backyard is of any help to the morale or well-being of the professional life insurance men who make up our association.

It is our earnest hope that you will be able to publicize this resolution of ours in your magazine.

Following is the text of the resolution:

Resolved that we, the officers and members of the Central Arizona Assn. of Life Underwriters, after careful deliberation hereby condemn the growing practice of companies selling group insurance to bypass the life underwriter, and broker the business through "captive agents or agencies."

This practice deprives the insured group of service of a competent life underwriter and, at the same time, undermines and hurts the agency system.

We petition all companies to enter into an agreement condemning this practice and ask company managers, general agents, and group representatives, to agree to refuse to broker group business with captive agents or agencies who are associated with, employed by, or owned by stockholders of companies buying group insurance. The term "captive agent or agencies" to be interpreted to mean that the agent or agency is by association of employment or ownership controlled by common management or ownership with the group being insured. This terminology would not include a general agency that has been regularly engaged in the writing of the type of insurance under consideration.

We further resolve to look with disfavor on any company who insists on purchasing group or life insurance through its captive agency and this association will publish to its members the name of any company purchasing group insurance through a captive agent or agency, and the name of the insurance company who violates the principles set forth herein.

Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

program," using the installment payment plan for over-all premiums. Securities Inc. of West Virginia is underwriting the stock sale, which is limited to West Virginia residents. Approximately 800 persons have become stockholders so far, and the expected total is 5,000. In addition to his duties as president of West Virginia Life, Mr. Miller will be special counsel for the parent W. Va. Insurance Management Corp. He is a 1949 law graduate of the University of Chicago, in 1951 was appointed to the West Virginia tax commission and in 1955 became commissioner.

Pansing Honored at Nebraska Federation Dinner

Director Thomas R. Pansing of Nebraska, who is resigning, effective July 1, was honored guest of Insurance Federation of Nebraska at a testimonial dinner at Lincoln Country club. Also honored was John H. Binning, who will succeed Mr. Pansing. Commissioners Taft of Wyoming and Sullivan of Kansas praised Mr. Pansing's work with National Assn. of Insurance Commissioners, especially in heading up the national committee for drafting a code of advertising rules for A&S insurance. Other speakers were Tax Commissioner Herrington, representing Gov. Anderson, and V. J. Skutt, president of Mutual Benefit H&A, who represented the insurance industry. Mr. Pansing was presented with two mementos—an album containing more than 200 congratulatory letters addressed to Mr. Pansing, and an inscribed wrist watch.

Nationwide to Market Mutual Investment Shares

The marketing of mutual investment fund shares through the agency force of Nationwide Life and other companies in the Nationwide group has been launched by Heritage Securities Inc., an affiliate of the insurers. M. D. Lincoln, president of Nationwide Life and Heritage, said that equity shares will become a basic part of the agents' multiple line sales portfolio throughout the group's 16-state operating territory. "To my knowledge, Nationwide is the first major life insurance company to sanction and encourage the sale of equities by its agents," he said. "We are not de-emphasizing the importance of adequate insurance protection in any sense. We look on equity shares as a supplement to insurance, but not as a substitute for insurance." The shares to be marketed are of Mutual Income Foundation, a 24 year old open-end investment trust. Since MIF became a part of the Nationwide organization in 1953, sale of its shares was virtually restricted to New England in an experiment which led to the expanded sales program now being activated.

Variable Payment Plan Sold Without Life Contingency

MINNEAPOLIS—Investors Variable Payment Fund, Inc., has made its first public offering of shares in a plan designed to be "an answer to the widely recognized need for a professionally managed investment medium designed to provide flexible future income related to changes in the purchasing power of the dollar."

The new company is a mutual investment fund that will invest primarily in common stocks with emphasis on growth, provide for automatic reinvestment of dividends, and for a variable pay-out of capital and income to the shareholder by periodic redemption of shares for an elected number of years.

The shares of this fund are offered by its sponsor and national distributor, Investors Diversified Services, in conjunction with the face-amount installment certificates issued by Investors Syndicate of America, thus creating a new form of balanced investment program suitable for accumulating a retirement fund or an estate.

The program operates as follows: One payment monthly, quarterly or annually on a systematic investment basis for the purchase of two securities: Investors Syndicate of America certificates, a fixed dollar amount investment, and Investors Variable Payment Fund shares, a fluctuating dollar investment.

The new fund offers these payout options: Option 1 provides for spreading the pay-out of the shareholder's investment over an elected number of years in amounts which will tend to vary in response to fluctuations in the value of the dollar. This option makes use of a variable payment factor which determines the number of shares to be redeemed at each redemption interval. Other options give the shareholder the right to specify the number of dollars to be received or the number of shares to be disposed of each period, until all his shares are redeemed.

Investors Syndicate face-amount certificates carry their own cash payout options which may be extended over a period of years. The pay-out from these two investment media is intended to help resolve financial problems arising from changes in the economy. For instance, when common stock prices rise, the investor's income from Investors Variable Payment Fund shares would presumably rise with them, possibly well before a comparable rise in the cost of living occurred. Conversely should common stock prices decline, the pay-out would be less, but living costs would probably fall, too, since common stocks historically have tended to keep pace with cost of living trends.

The part of the investment represented by the Investors Syndicate certificate, on the other hand, would act in reverse under similar economic conditions. Dividends on shares of the fund will be declared at the close of each fiscal year, but are required to be automatically compounded so that the fund is, in effect, continuously accumulative. Reinvestment of dividends will be made without sales charge.

Public Life of Clayton, Mo., has been incorporated with authority to issue 1,000 shares of \$100 par value common stock.



Mrs. Nona S. Titlow, new executive secretary of Ohio Life Underwriters Assn., sits next to Gov. O'Neill as he signs a model group life bill recently passed by the Ohio general assembly. Standing, left to right, are William W. Wray, John Hancock, Cincinnati, vice-president and chairman of the law and legislation committee of the Ohio association, and Robert D. Smith, Massachusetts Mutual Life, Dayton, outgoing president of the Ohio association. The bill reduces the number of lives required for a group life case from 25 to 10 and raises the group limits from \$20,000 to 1 1/2 times the worker's annual salary or a maximum of \$40,000 whichever is the lesser.

Aetna to Open \$285,000 Denver Office July 1

Aetna Life will open its \$285,000 2-story office building at 300 East Ninth avenue in Denver on July 1, bringing together all the group's multiple line services.

The Fuchs agency and the group department will be on the second floor. Offices of Aetna Casualty and Standard Fire will be on the first floor. General insurance agents representing Aetna will occupy space, also.

The office services the business of all Aetna Life companies in Colorado and other states in the Rocky Mountain area.

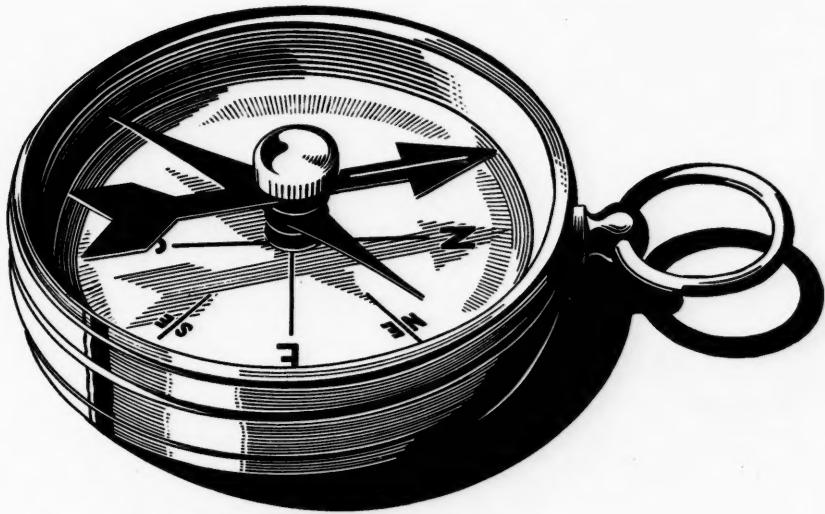
Paul Revere Holds Five Regionals for Leaders

Three hundred sales leaders of Massachusetts Protective and Paul Revere Life are attending a series of 3-day regional conferences. Qualification is based on production during a recently completed 15-month period.

Honored at the conference are members of president's club, top producer organization. Its officers include: Frank Lazarus, Boston, president, Carl H. Holland, Greensboro, vice-president, and Regional Chairmen of the Board Harry V. Hopkins, Dayton, George L. Porter, San Francisco, and W. Tracy Prater of Albuquerque. The conferences are being conducted in Colorado Springs, Pasadena, Newcastle, N. H. Miami Beach, and Estes Park, Colo.

Included in the program are discussions on training, sales procedure and techniques, and current insurance developments. The meetings are being conducted by Robert P. Hallock, Marshall E. Hammergren, Harland L. Knight, Frank V. Maner and Edwin L. Sharpe, regional superintendents. Members of the home office staff included in the program are President Frank L. Harrington and John J. Plumb, vice-president and director of agencies.

Jerome G. Bradley, chief examiner of the Washington state insurance department, will join the Seattle office of Milliman & Robertson, consulting actuaries, on July 1.



going places?...

which direction???

For Penn Mutual underwriters interested in going places, there are *many* directions in which to go . . . because *Penn Mutual opportunities go to Penn Mutual men*. There are life underwriting sales, sales supervisory work, management and General Agency opportunities . . . whatever the individual is most interested in and best suited for.

In turn, the underwriter can be certain that the company will do everything in its power to help him realize his goal . . . both through intensive training and educational programs and through plentiful opportunities to test his wings in actual positions of responsibility.

You see, we know that our "men with a future" represent *our* future.



THE PENN MUTUAL LIFE INSURANCE COMPANY • Independence Square, Philadelphia, Pa.



"He's a cinch for 'most likely to succeed'—I understand he's been tapped by Provident Mutual"

The Provident Mutual career agent is chosen with care—through scientific aptitude testing that makes sense. His potential is developed through intensive training, in school seminars, in the Home Office and in the field.

He is exposed to a broad range of activity. (Provident Mutual offers every major life in-

surance coverage.) He is assisted in completing L.U.T.C. and C.L.U. courses. He is supported by a progressive company whose reputation for strength and stability covers almost a century.

He is given fine equipment to work *with* . . . everything to work *for*. That's why Provident's career agents *are* men "most likely to succeed."

Provident Mutual
Life Insurance Company of Philadelphia

